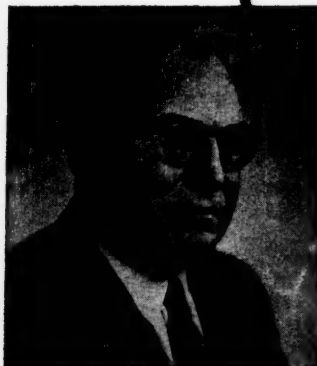


# The NATIONAL UNDERWRITER

*Life Insurance Edition*

## Congratulations Andy!



**C. VIVIAN ANDERSON, CLU, LL.D., Senior Agent**

PROVIDENT MUTUAL, CINCINNATI

Your associates in the field and in the Home Office are exceedingly proud of your selection as the recipient of the

**John Newton Russell Award for 1953**

The citation accompanying the Award bears eloquent testimony to the outstanding contributions you have made to the institution of life insurance during the past 40 years.

### CITATION

C. Vivian Anderson, CLU, LL.D., has given unstintingly of his time and unusual talents to the improvement of the life insurance industry. He has, in fact, by his vision and steadfastness in his concept of the responsibility of the life underwriter to his client, made many important contributions in the elevation of life underwriting to a professional status.

Early in his career he evidenced an unusual interest in life underwriter education and was one of the founders of the Chartered Life Underwriter movement, being the second man in the United States to be awarded the CLU degree in June 1928. After the program was launched he served as the first President of The American Society of Chartered Life Underwriters, devoting himself to nurturing the CLU program through its early years.

Still further evidence of his vision and leadership was his participation in the founding of the Million Dollar Round Table of which he is a Charter Member as well as a Life Member . . .

However, the greatest demonstration of C. Vivian Anderson's complete devotion to the best interests of life insurance and life underwriting is his continuous forty years of service to his Local, State and National Association . . . He has accepted the responsibility of many offices including the Presidency of his Local, State and National Association. In each instance his record was notable. Further, he served with distinction for seven terms as Chairman of the NALU Federal Law and Legislation Committee and for seventeen years as Chairman of the Legislative Committee of the Ohio Association of Life Underwriters . . .

During this period of meritorious service, he has been continuously a Special Agent for the Provident Mutual Life Insurance Company where he has been accorded many honors including Life Membership in the Provident Round Table and the designation "Master Millionaire."

It is part of his creed that Life Underwriters must devote a portion of their time and talents to the communities in which they live and the institutions with which they are affiliated . . . as evidenced by his continuous participation in leading business and professional organizations in his state and community. Noteworthy indeed has been his devotion to his Alma Mater - Miami University - where he has served on the Board of Trustees since 1921, five of those years as President. In recognition of his services to the University, to the State of Ohio, and to his Profession, he had conferred upon him by Miami University the honorary degree - LL.D. in 1950.

Strong and fearless men who fight for a cause which they believe to be right and just, frequently do so at the expense of momentary and personal popularity. C. Vivian Anderson's ideas and projects have frequently met with violent opposition which has resulted in his tasting both victory and defeat. It is significant, however, that he has not been content to rest on the laurels of one victory nor has he allowed defeat to deter his further efforts to bring about improvements in life underwriting.

Thus the Award Committee concludes that C. Vivian Anderson has made wise, lasting and significant contributions over and beyond the call of duty to the Profession of Life Underwriting which will accrue to the benefit of its policyholders and agents for generations. The continuity of his efforts entitle him to the gratitude of the Members of this Association for which he has worked so diligently. Hence, with thanks and appreciation for his contributions and all honor to him for his persistent efforts and accomplishments, the John Newton Russell Award Committee does hereby name C. Vivian Anderson, CLU, LL.D., the recipient of the 1953 John Newton Russell Award.

Cleveland, Ohio, August 28, 1953

**PROVIDENT MUTUAL LIFE INSURANCE COMPANY**

**PHILADELPHIA, PENNSYLVANIA**

*Founded 1865*

**FRIDAY, SEPTEMBER 25, 1953**

**NATIONAL FRATERNAL CONGRESS**



**T**HE STORY of PAUL REVERE in the field of non-cancellable disability insurance is the story of national leadership. For today this solid New England company stands as one of the country's foremost underwriters of non-cancellable Accident and Sickness protection.

★ ★ ★ ★ ★

Paul Revere representatives—including 64 general agents who were promoted from the Company's sales ranks—are active in the 48 states, the District of Columbia, Hawaii and Canada. And, in addition to an outstanding disability line, they are also well equipped to offer all forms of Life insurance and of Group Life and Group disability insurance.

That Paul Revere is a national leader in the non-cancellable disability field is to the credit of the man with the rate book. For, substantial as are our financial assets, the greatest asset of all is our sales organization . . . men and women whose growing individual successes are the rightful measure of our progress.

★ ★ ★ ★ ★

That's why we welcome this opportunity to salute our field force. Its "firing line" performance reflects the characteristics of a group of loyal, well trained and well compensated associates whose concept of personal insurance service is in the best of American tradition.

**THE PAUL REVERE LIFE**

**WORCESTER**

Frank L. Harrington

President



**INSURANCE COMPANY**

**MASSACHUSETTS**

Edward R. Hodgkins, Vice-Pres. & Mgr. of Agencies

**NON-CANCELLABLE ACCIDENT and SICKNESS • LIFE • GROUP**

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U.S.A. 57th year. No. 39, Friday, September 25, 1953. \$7 per year (3 years, \$18); Canada, \$8 per year (3 years, \$21); Foreign, \$8.50 per year (3 years, \$22.50). 30 cents per copy. Entered as second class matter June 8, 1900, at the post office at Chicago, Ill., under the Act of March 3, 1879.



# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

57th Year, No. 39  
September 25, 1953

## Insurers Buck SEC on Non-Callable Utility Bonds

**Commission OKs One Issue  
But Evidences Die-Hard  
Attitude for Future**

By ROBERT B. MITCHELL

NEW YORK—The securities and exchange commission's reluctant approval last week of the non-callable feature of a \$35 million public utility bond issue is of considerable significance to life insurance investment operations as an indication of the SEC's evident determination to oppose non-callable provisions, which life companies as investors consider important to include in bond issues.

Mindful of the beating they took, starting in the 1930s, on wholesale refundings of bond issues by borrowers seeking to take advantage of dropping interest rates, many life companies have insisted on non-callable provisions in lending money on industrial issues. The call premium was a trifling sop compared to the future interest the companies lost when a corporation called its bonds to refinance them more cheaply.

This widespread refinancing was considerable of a factor in cutting policyholder dividends and boosting net costs.

For life companies large enough to buy industrial bond issues on a private placement basis it has been comparatively easy to insist that the bonds be made non-callable, though often there has been a provision for gradual pay-off of the debt at stated intervals. This latter provision could be disadvantageous if interest rates were to go into a downtrend but at least the insurer knows what to expect and there is the safety feature of reducing the loan amount, compared to security.

Smaller insurers that do most of their securities buying through public offerings have had a rougher time in trying to get non-callable provisions. The investment bankers have packaged their wares to attract the general run of investors. Non-life investors, less mindful of the experience during the period of easy money rates, haven't been anywhere near as much interested in non-callability as have the life companies.

The SEC action is based on the public utility holding company act, which prohibits "lack of economies in the raising of capital." In giving its grudging approval to the Arkansas Louisiana Gas Co.'s privately placed issue last week despite its non-callable feature, the SEC stated in its opinion: "Without attempting to predict the future state of the money market, we feel strongly that the proposed provision for non-callability of the bonds over the next 10 years introduces a potential 'lack of economies in the raising of capital.'"

It was obvious that the only reason  
(CONTINUED ON PAGE 29)

## A. L. C. Speakers, Section Programs Are Now Set for Annual Gathering

The program for American Life Convention's annual meeting in Chicago, Oct. 6-9 is now completed. As usual there will be concurrent annual meetings of the legal, agency, financial and combination companies sections. The general sessions are to be held Oct. 7 and Oct. 8.

Convention President T. A. Sick, president of Security Mutual Life, will preside over all the general sessions and will give his address at the opening general session Wednesday morning. Mr. Sick's term expires at the end of the meeting, when new officers are elected. Robert L. Hogg, executive vice-president and general counsel will then give his annual report.

He will be followed by Commissioner Murphy of South Carolina, president of National Assn. of Insurance Commissioners, speaking on "The Future of State Supervision"; and John Fisher, Canadian Broadcasting Corp. commentator, on "Rates High." There will then be a group luncheon and an executive session.

That afternoon there will be a panel discussion on the "Status of Field Forces for Social Security Purposes." Moderator will be E. J. Faulkner, president of Woodmen Central Life, and panelists will include representatives from the bureau of internal revenue, the life insurance industry and the social security board. Also, Alfred N. Guertin, convention actuary, will give his annual report, as will Lee N. Parker, A.L.C. administrative vice-president and president of American Service Bureau, on the bureau's activities.

The Thursday morning general session will open with "The Spirit of Life Insurance Company Management" by William Breiby, vice-president of Pacific Mutual Life. Ray D. Murphy, president of Equitable Society, will then speak on the "Impact of Eco-

nomic and Social Forces on Life Insurance", and C. Hamilton Moses, Arkansas Power & Light Co. chairman, will discuss "Life's Price Tag."

Thursday afternoon Morris C. Fuller, president of State Farm Life, will talk on "Functional Planning in a Life Insurance company"; Laurence J. Ackerman, insurance professor and dean, school of business administration, University of Connecticut, on "A Three-Dimensional View of Life Insurance"; and Leroy A. Lincoln, Metropolitan Life chairman, on "A New Look."

Under Millard Bartels, vice-president and general counsel of Travelers, chairman of the convention legal section, the section will open its program Tuesday with the chairman's remarks, followed by an address on "Asset Reserves" by Houghton Bell, vice-president and general counsel, Mutual Life of New York. Other addresses that morning include "The ABC's of Section 213" by Malvin E. Davis, vice-president and actuary, Metropolitan Life, and a study in "Semantics," V. R. Booth, counsel, New England Mutual Life. The following luncheon speaker will be Robert G. Storey, general counsel Universal L. & A., "Advanced and Specialized Legal Education."

Opening the afternoon session will be an address on "Validity of Aviation Riders—A State by State Study" by John W. Fischbach, general counsel, Minnesota Mutual Life. Following this will be a "Review of Legislation and Litigation in 1953" by Ralph H. Kastner, convention general counsel. The section will devote the balance of the day to the business session, which includes election of officers, and act on various reports and resolutions.

The same day Perry T. Carter, vice-president of Travelers and chairman of A.L.C. agency section, will open the morning session for that body and will  
(CONTINUED ON PAGE 29)

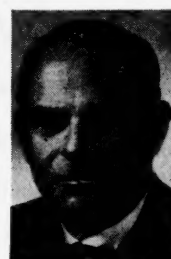
## Broadened Scope of Office Management Stressed by LOMA

**Annual Meeting at Cincinnati Hears Talks on  
Wide Variety of Subjects**

CINCINNATI—The key role of supervisory personnel in public relations, the effect of changing organizational patterns on personnel problems, the maintenance of communication lines within a company, the need for maintaining supervisory strength by selection when hiring, the growing interest in office management problems, office administration as a major management function—these were a-



Noel S. Baker



H. H. Allen

mong the principal subjects discussed in addresses at the annual meeting of the Life Office Management Assn. here this week.

In his address as president of L.O.M.A., Harry H. Allen, vice-president of Mutual Benefit Life, said that new and changing problems loom for per-

### NEW OFFICERS

**President—Noel S. Baker, vice-president John Hancock.**

**1st vice-president—Gerard S. Soelter, secretary Southwestern.**

**2nd vice-president—Warren J. Moore, vice president Old Line.**

**New Directors—L. F. Bloodworth, secretary Liberty National; R. A. Clark, secretary Columbus Mutual; R. E. Brown, personnel executive Sun Life of Canada.**

sonnel administrations and management should become aware of them to be ready to make the necessary adjustments. Personnel administration has come of age, he said, and problems are arising at an increasing pace.

"Interest in organizational structure is of top concern to every member of management," Mr. Allen said. "The last 10 years have produced more alterations than ever before in the general make-up of companies, departments and divisions in order to meet the ever-increasing complexity of doing business in our changing times. The personnel administrator of tomorrow will have to be a keen student of the nature of organization."

Mr. Allen said improvements in the methods of operation are being introduced at a greatly accelerated pace and the human factor has become  
(CONTINUED ON PAGE 30)

## Late News Bulletins . . .

### Dr. Reynolds Gets Higher Equitable, N. Y., Post

Dr. Whitman M. Reynolds has been appointed medical director of selection for Equitable Society. Dr. Reynolds joined the company in 1946 as assistant medical director and was named associate medical director in 1951. He received his M.D. degree from Columbia University in 1931 and was in general practice at Greenwich, Conn. from 1934 to 1942. He is an army veteran.

### MacLatchey President of Canada Superintendents

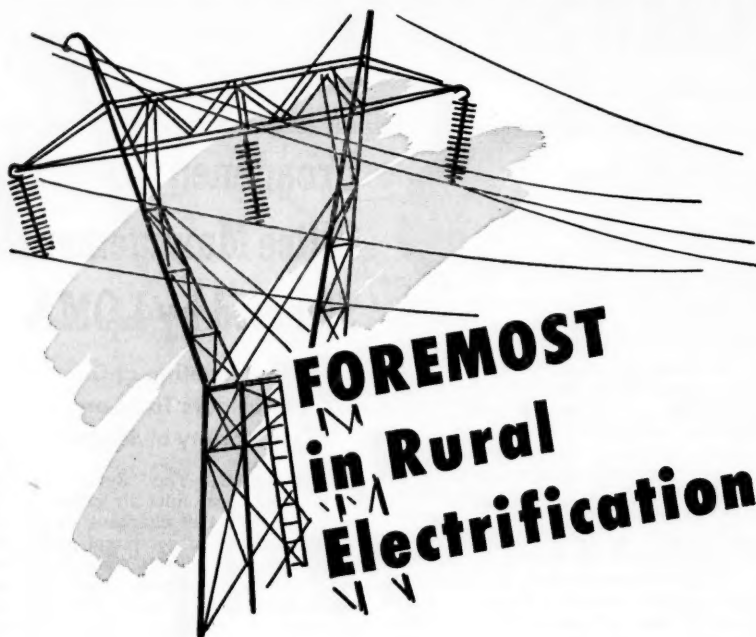
E. B. MacLatchey of New Brunswick was elected president of the Superintendents of Insurance of the Provinces of Canada at its annual meeting at Charlottetown, P. E. I.

Other officers elected were: Georges Lafrance, Quebec, as vice-president; Roy B. Whitehead, Toronto, reelected secretary; John Edwards, Toronto, reelected assistant secretary and H. B. Armstrong, Prince Edward Island, reelected treasurer.

### Parker Imperial Chairman, Poyntz President

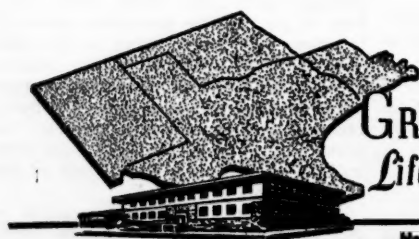
J. G. Parker, who has retired as president of Imperial Life of Canada, has been elected chairman. A. Ross Poyntz, former managing director, was elected president. Russell J. Wood, previously assistant general manager, was ap-

(CONTINUED ON PAGE 32)



Within the past decade the marked increase in rural electrification has contributed much to the economic welfare of our section of the nation. Bringing electricity to farm homes has vastly improved living conditions, lightened the work load, and increased production. The extent to which this modern convenience is being utilized in our area is evidenced by the fact that it has 11% of the nation's electrified farms.

Founded in this center of rich natural resources, power facilities and vital industries, the Great Southern is steadily growing in stature and strength — providing the people in this great section of our nation the advantages derived from the security of adequate life insurance.



**GREAT SOUTHERN**  
Life Insurance Company

Home Office Houston, Texas

## Life Units Catching on in N. Y. Agencies, Weghorn Declares

Many of the larger New York City agencies now maintain life insurance departments, and as the need for additional facilities in this field are manifested, others undoubtedly will add this coverage, John C. Weghorn, head of the Weghorn agency at New York City and a member of the executive committee of Assn. of Local Agents of the City of New York, declared at the first Greater New York Insurance Day at the Hotel Biltmore, sponsored by Greater New York Insurance Brokers' Assn.

Some confusion seems to exist regarding the role of the New York Assn. of Local Agents, Mr. Weghorn observed, and he attributed this to lack of proper information, misinterpretation of facts and, "unfortunately, a certain amount of deliberate, planned sabotage sponsored by a few for their own selfish interest and without regard for the public welfare."

The local agents—the metropolitan agencies—comprise the most effective need of meeting the demand for all kinds of coverages and for expert knowledge and a wide range of technical matters. This assistance is especially useful to the broker in New York City where more insurance is written than any other city in the world, Mr. Weghorn said.

Not only the brokers, but companies, too, recognize the value of the agency method, particularly in New York City, where during bad economic times the financial strain on companies to continue to offer adequate assistance to brokers becomes too burdensome to them. Proof that the companies recognize the value of the local agent is indicated in the fact that these agents have, for the most part, received cooperation and appreciation from company ranks, he declared.

"Our problems," he said, "are receiving greater and fairer consideration than ever before. We applaud the 'open door' policy adopted by Superintendent Bohlinger and the willingness the department has shown to hear us out and help us solve our problems."

## Files Suit To Expand H. O.

Bankers Life & Casualty has filed a suit in circuit court against the city of Chicago, asking that the zoning ordinance be declared invalid in the block in which Bankers L. & C. has its home office. The company wants to construct one-story additions to two

buildings to a height exceeding the present allowed maximum, and make use of two apartment buildings for purposes "necessary and incidental to operation of its insurance offices."

The company's suit is being opposed by 157 property owners in the neighborhood.

## N.A.I.C. Committee Lineup Published

The new committee list of National Assn. of Insurance Commissioners has been issued, and among the chairmen named are:

Blanks, Robinson, Ohio, chairman; Wells, Indiana, vice-chairman. Sub-committees, fraternal and reciprocal, J. F. Collins, New York; life, R. O. Hooker, Connecticut; fraternal, F. T. McGovern, Rhode Island; hospital and medical service plans, E. L. Berger, Pennsylvania; title and mortgage guaranty, William Gold, New York; assessment life and accident, C. C. Dubuque, New York; life branch instructions, W. H. Bittel, New Jersey.

Accident and health, Kavanagh, Colorado, chairman; Maloney, California, vice-chairman.

Sub-committee on Blue Cross-Blue Shield, Leslie, Pennsylvania.

Examinations, Bowles, Virginia, chairman.

Sub-committee on examinations, practices and procedures, manual revision, R. O. Hooker, Connecticut; examination manual change, Bowles.

Fraternal insurance, Pansing, Nebraska, chairman; Lange, Wisconsin, vice-chairman.

Interstate cooperation, Davis, Mississippi, chairman; Bohlinger, N. Y., vice-chairman.

Laws and legislation, Navarre, Michigan, chairman; Hammel, Nevada, vice-chairman.

Sub-committee on uniform qualification and licensing, Hammel, chairman, and Kavanagh, Colorado, vice-chairman; security or insolvency fund, Butler, Texas, chairman, and similarity of company names, Sullivan, Kansas.

Taxation and real estate, Holmes, Montana, chairman, and O'Connell, Idaho, vice-chairman.

Unauthorized insurance, Gaffney, New Jersey, chairman, and Burt, South Dakota, vice-chairman.

Insurance sales on military reservations, Martin, Louisiana.

Uniform accounting, Lange of Wisconsin, chairman, and Leggett of Missouri, vice-chairman.

Sub-committee on uniform accounting, J. J. Higgins, New York; relationship between uniform accounting and rate making, Higgins.

Valuation of securities, Bohlinger, chairman, and Allyn, Connecticut, vice-chairman.

Sub-committee on valuation, Allyn.

Knowlton of New Hampshire is chairman of the executive committee and Martin of Louisiana is vice-chairman. This committee has a number of sub-committees and these include: Constitution and by-laws revision, Allyn; reinsurance, Leslie of Pennsylvania; advisory technicians, William Bruce of California; enlarging the functions of assistant secretary's office, Dickey of Oklahoma; future sites for N.A.I.C. meetings Bohlinger; special sub-committee, Pansing of Nebraska.

## Hancock Veterans Honored

More than 600 home office personnel of John Hancock—all of whom have been with the company 25 years or more—were honored at a reception and dinner at Boston, at which President Paul F. Clark presided. This event, the Quarter Century dinner, had as its chairman Raymond Sumstegle, ordinary policy department.



President Horace W. Brower and Vice-president William B. Stannard of Occidental Life of California pictured with officers of Los Conquistadores, top section of the company's regular production club: From left, Stanley J. Weatherley, Toronto, quality vice-president; Irving M. Schellin, Sparks, Nev., A. & H. vice-president; Mr. Brower; Clifford C. Robinson, Vancouver, president; Mr. Stannard, and C. Everett Moon, Los Angeles, group vice-president.



# IA. STATE TRAVELING MEN'S SEEKS U. S. HIGH COURT REVIEW

## Decision for Unauthorized Insurers Law Might Doom Mail Order Insurers Is Plea

Iowa State Traveling Men's has filed a petition with U. S. Supreme Court for review of the U. S. court of appeals' decision upholding the validity of the N.A.I.C. unauthorized insurers' service of process law in a Florida case. The court of appeals gave a sweeping endorsement of that law and Iowa State Traveling Men's said that this decision is the first one squarely involving the constitutionality of the law by any court of appeals or by any state court of last resort. At least 24 states other than Florida have adopted the same statute, according to I.S.T.M.A. The Iowa insurer says the manner of service of process on foreign corporations provided in the act goes far beyond anything ever approved by the U. S. Supreme Court as within the requirements of the 14th amendment. "If this act is constitutional the insurance companies which specialize in offering this low-cost insurance coverage will have to make substantial changes in their rates and methods of doing business at once," the brief complains. Also, according to I.S.T.M.A., if legislation should be enacted in the form of a Florida statute authorizing the institution of actions in Florida against non-resident foreign corporations which transmit merchandise by mail or express addressed to residents of Florida "the repercussions are readily apparent."

A decision of this kind, according to I.S.T.M.A., might well spell the end of mail order insurers "and the substantial service which they render to the public." Solely through use of the mails, small companies like I.S.T.M.A., according to a brief, have been able to offer a policy providing liberal coverage at a price well within the reach of low income groups. The insured here paid \$2 for a \$5,000 policy and this covered the entire cost of his insurance for almost six months. According to I.S.T.M.A., it was able to provide this broad coverage for such a nominal charge because it carefully selects its risk and distributes these over a wide geographical area through the use of the mails. On the basis of such nominal charges I.S.T.M.A. would not be capable of maintaining or establishing a nationwide agency organization or of defending suits in every state.

It is true that it would be inconvenient for the claimant not to be able to prosecute her action in Florida. However, this is one of the incidents of low cost insurance and the rates have been set on this basis. The insured had a chance to purchase a policy from an insurer maintaining a traditional agency organization if he had been willing to pay the higher premium. However, for his own reasons he chose to purchase the relatively inexpensive coverage of I.S.T.M.A. Hence it is argued that it is inequitable to require I.S.T.M.A. to now assume additional burdens not contemplated by its contract or its rates.

Mail order insurers, according to I.S.T.M.A., have existed for decades and are carefully regulated by several departments of the federal government to prevent any prospective policyholder from being misled by false advertising. The burden imposed upon the entire membership of such an association, depending as it does entirely upon moderate assessments, 75% of which are actually paid out in benefits, as a

result of being compelled to defend in every state, certainly outweighs the inconvenience of the individual beneficiary.

"The pinch of the decision holding I.S.T.M.A. subject to suit wherever its policyholder resides may well be the strange hold."

The statute in question provides that an out-of-state insurer is doing business in Florida for the purpose of constructive service of process in a private suit if it sends a letter from its Iowa office to its insured in Florida through the mails and prohibits the foreign insurer from defending the action unless it first files a bond or securities.

I.S.T.M.A. said that after extensive hearings in 1935 and again in 1943, Congress refused to enact the Hobbs bill which would have denied mail order insurers the use of the mails unless they qualified under state law. The Florida case, according to I.S.T.M.A., allows Florida to do indirectly what Congress refused to do directly.

## Survey Being Made of How Insurance Research Works

As part of a program to assist in the development of insurance research, the Charles W. Griffith Memorial Foundation for Insurance Education is currently conducting a survey to find what research studies have been conducted in this field since the beginning of 1950. Dean Kerr of Columbus, chairman of the foundation, said a mail questionnaire has been sent to the big insurance commissioners, heads of ma-

ior insurance associations, insurance teachers, bureaus of business research in universities, research departments of the major unions, directors of all research organizations in the field of social science, and all state and federal agencies concerned with social insurance measures.

The results will be published by the Griffith Foundation in January. The report will include the title and a brief description of the study, its author, its length and manner of reproduction, its date of publication or estimated date of completion, and its availability for distribution. The summary will group the studies according to the area of insurance in which they fall and according to the type of problem with which they are concerned.

Mr. Kerr asks anyone who has prepared such studies but has not received a questionnaire to contact the Foundation at Ohio State University, Columbus.

## Fire-Cas. "Ad" Men Make Eyes at Life Brethren

At the convention at Skytop, Pa., last week of Insurance Advertising Conference (the fire and casualty organization), Robert E. Brown, Jr., of the Aetna Life group, suggested that the executive committee of I.A.C. confer with Life Insurance Advertisers Assn. on possible meetings of the two organizations at the same time and place with one joint general session and one joint entertainment session. In years gone by, I.A.C. embraced all elements of the insurance business. Then the life people seceded and formed L. I. A.

• The interest in discounting ordinary premiums paid in advance has been raised to 2½% from 2% by Colonial Life. An increase in the net return on the investment portfolio was credited for the increase.

## JOHNSON AT LOMA

## Supervisory People Hold a Key Role in Public Relations

CINCINNATI—Because they interpret the policy of a company, the supervisory personnel hold a key role in public relations work, President Holgar J. Johnson of the Institute of Life Insurance told the annual meeting of the Life Office Management Assn. at its meeting here.

It is important, he said, to (1) keep supervisors informed as to management policy and philosophy; (2) make supervisors feel that they are a definite part of management; (3) provide a means by which a two-way system of communications can be established and maintained between supervisors and employees; and (4) provide effective training programs designed to increase the efficiency and effectiveness of the supervisor in his dealings with the employees and the public.

"Life insurance deals in intangibles," Mr. Johnson said. "It delivers future promises, confidence in the ability to perform. The people in the home office are responsible for the making good of that confidence. Every one in the company has an important role to play if the company and the business is to remain in the good graces of the general public."

Mr. Johnson suggested that every company adopt the policy of reviewing every proposed change in system, procedure or method from the human relations angle as well as the office efficiency point of view.

Good public relations call for a continuous report to the public on all activities, especially those which may not meet with unanimous public approval, but are in public interest, according to Mr. Johnson.

"One of the requisites for a friendly public attitude is that a business will change its policies and actions to the extent possible in order to meet the public likes and dislikes," he said. "But there are times when, for good reasons, certain changes that are desired by the public cannot or should not be made. There is never an excuse, however, for not explaining why those changes should not be carried through. The resultant friendly attitude is especially important, for the public, by its power of choice, determines whether a business shall be permitted to live and determines how it shall act."

Mr. Johnson called upon home office personnel for a more intensive and planned approach to public relations, saying that "much of what has been done up to now has been done instinctively, but much more can be done by giving conscious attention to the problems, which will lead to planned efforts to improve the public relations contributions of home office people."

He also said that about 90% of good public relations consists of performance; 10% telling about the job, with the work of home office personnel vital to the 90% performance area.

## Joint Meet to Honor Two

San Francisco C.L.U. chapter and San Francisco Life Underwriters Assn. will meet jointly Oct. 15 when two members of the association will receive C.L.U. credentials. Speaker will be Arthur P. Carroll, vice-president of Equitable Society.



## PERFORMANCE... PLUS!

That's the story of the driving action by Commonwealth's Ordinary Department sales team this year during the annual August Avalanche of Applications Campaign. The total of business for this Campaign proved to be 48% over last year's figure which was the greatest to date.

Congratulations to all the men on the Ordinary Department team for the record-breaking performance... plus!

INSURANCE IN FORCE, July 31, 1953...\$669,654,951



**COMMONWEALTH**  
*Life Insurance Company*

HOME OFFICE • LOUISVILLE, KY.

## honored

ice person-  
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A. & E.  
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## Pearson Now N. W. National Group Manager at Houston

John E. Pearson has been named regional group manager at Houston for Northwestern National Life, effective Oct. 1.

Mr. Pearson originally joined Northwestern National's home office group department in 1949. The following year he was transferred to Seattle as home office group representative. More recently he has been with Marsh & McLennan. He is a navy veteran.

In your  
hands...



rests the Security of others

**That's why** Berkshire Life provides 114 Adult and Juvenile Life and Accident & Health policies and riders to take care of the three most vital problems: death, disability and old age.

### For Example In the A & H Field:

- **Centennial A & H** — lifetime accident and sickness income
- **Modern A & H** — low cost coverage for the wage earner
- **Superior Accident** — complete accident coverage for men and women
- **Accident Expense** — medical payments for men, women and children
- **Hospital Expense** — liberal individual and family hospital and surgical benefits
- **Non-Occupational A & H**

BROKERS AND SURPLUS WRITERS are invited to write to the nearest Berkshire General Agent for FREE copies of both the handy pocket-size Merchandise Chart and Portfolio which outline the many unusual sales opportunities. ★ ★ ★

Keep Your Eye on  
**BERKSHIRE**

LIFE INSURANCE COMPANY  
Life, Annuities, Accident & Health and Hospitalization  
HARRISON L. AMBER, President  
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## Prospects-Agents want it!!! ILLINOIS MUTUAL has it... HOSPITAL INDEMNIFYING PLAN!

Offer your prospects a unique Hospital-Surgical policy that shows exact benefits in the hospital... exact amount paid for surgical work performed. Wide choice of plans offered, with varying premiums and benefits. Makes an attractive selling point. Over 43 years offering Accident, Sickness, Hospital, Surgical, and Medical Expense Insurance exclusively.

Desirable agency openings in Illinois, Indiana, Michigan, Minnesota, Missouri, Ohio and Wisconsin. Agents inquiries invited... no obligation.

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HOME OFFICE: 411 LIBERTY ST. PEORIA, ILL.  
E. A. McCORD President  
C. C. INMAN Executive Vice President



## '53 Sales Gain Nearly 20%; Ordinary Has 16% Jump in August

August life insurance sales, amounting to \$2,853,000,000, brought the aggregate for the first eight months of the year to \$23,907,000,000, nearly one-fifth more than a year ago. The August figure, according to L.I.A.M. A., compared with \$2,387,000,000, in August of last year, and \$2,135,000,000, in August, 1951.

Sales of ordinary life in August were \$1,833,000,000, or 16% over August a year ago. Industrial sales amounted to \$526 million, an increase of 11%, and new group reached \$494 million in August, a gain of 45%. These represent new groups set up and do not include additions under group insurance contracts already in force.

In the first eight months of the year, total life sales were 19% higher than in the first eight months of 1952. Ordinary accounted for \$15,589,000,000, an increase of 19%; industrial totaled \$4,286,000,000, up 7%, while new group of \$4,032,000,000 is a 37% rise.

### Franklin's In-Force Rises \$20 Million During August

A net gain in insurance in force of approximately \$20 million was registered by Franklin Life last month, and an increase was noted of nearly 20% in new sales for the year to date. Premium and investment income for the first eight months of 1953 totaled \$38,930,000 nearly \$4½ million over the same period last year. Mortality continued favorable and since Jan. 1 showed 33.3% of the expected.

President Chas. E. Becker predicted a net paid business total this year of more than \$365 million, perhaps averaging over \$1 million daily. Since Jan. 1, he added, new investments have been made at an average yield of around 4%, about ¾ of 1% higher than heretofore. He saw business in force rising to \$2 billion by the end of 1955.

### Two Cal-Farm Regionals

Cal-Farm Life recently held two regional meetings, one at Berkeley, the other at Bakersfield, each attended by about 100 agents. The principal speaker for both meetings was M. P. Loneragan, Pacific Coast regional manager for Bankers Life of Nebraska. He spoke on "Satisfaction in Selling." Home office executives at the meetings were L. P. Wicker, general manager; Floyd Laird, sales director; H. H. Bryant, life office manager and Ralph Schuyler, superintendent of field services.

Cal-Farm Life was established about two years ago and now has \$27 million of business in force. It writes life insurance in California and Washington and casualty in those states and Nevada.

### Novel Contest Honors Adam

Dressed in steel workers' helmets and jackets, members of Penn Mutual Life's James B. Eckenrode, Jr., agency at Pittsburgh, presented President Malcolm Adam a stainless steel plaque bearing the record of a month's contest. The plaque was made especially for the occasion by a Penn Mutual policyholder, Charles Cardarelli, who is head metallurgist of Superior Steel Co.

Mr. Eckenrode was installed as general agent Aug. 4 and on that day the contest began. By Sept. 4 written business totaled \$1,110,424—62% of it pre-paid, including medicals.

## ACTUARIES

### CALIFORNIA

**COATES, HERFURTH & ENGLAND**

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### GA. VA. - N.Y.

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211 West Wacker Drive

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Certified Public Accountants

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### PENNSYLVANIA

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CONSULTING ACTUARY

ASSOCIATE

E. P. Higgins

THE BOURSE

PHILADELPHIA



## Record High Level of A.&H. Cover in '52 Reported for U.S.

The American people voluntarily increased their protection against the unexpected costs of hospital, surgical and medical care to new record high levels in 1952, the Health Insurance Council reports in its annual survey of A.&H. cover in the U.S. Every section of the country participated in the gains, the council said.

Cash benefits from voluntary health protection aggregated more than \$2 billion in 1952, the council stated in its first public estimate of these figures. About half this amount went to help meet the cost of hospitalization, and over a half billion dollars more went towards operations and doctors' bills. Another half billion dollars represented benefit payments by insurance companies replacing income lost due to accident or sickness. Thus voluntary health protection is now taking care of a substantial part of the nation's health bill.

The total number of persons covered against hospital expense approached the 92-million mark at the end of last year, the report states. This represented an increase of more than 5½ million, or 7% over 1951. More than 73 million persons were protected against the cost of operations under surgical expense coverage at the end of 1952. This figure represented an increase of more than 7½ million persons, or 12% over the year before.

Approximately 8 million more persons than in 1951 were protected against doctors' bills under medical expense coverage at the end of last year. This increase brought the total number of persons so protected to nearly 36 million and represented an increase of 29% over 1951, according to the report. The number of persons protected against loss of income due to disability exceeded 38 million at the end of last year, a new high mark.

The year likewise saw increasing public acceptance of major-medical expense cover, the newest form of voluntary health protection designed to help meet the catastrophic costs of very serious illness. Nearly 700,000 persons had this form of protection at the end of last year, the council stated.

"The development of major-medical expense coverage," the council stated in its report, "is further evidence of the willingness of the insurance business to experiment in the public interest and to take steps to meet a recognized public need. It testifies to the alertness of the companies writing accident and health protection in recog-

nizing the need for broader coverage than had heretofore been available, and thus reflects the inherent vitality of the voluntary health movement in this country."

Organizations covered in the report include insurance companies, Blue Cross, Blue Shield and various other independent plans sponsored by business and industry, employee benefit associations, and private group clinics.

C. John Albrecht has been named Akron, O., district manager for the State Farm companies.

## 200 Expected to Greet Southwestern on '50th'

Some 200 agents and home office personnel of Southwestern Life will attend the company's golden anniversary convention at San Francisco Sept. 28-30.

Agents qualified for the trip through their 1952 production records which made possible the company's achievement of \$1 billion of life insurance in force prior to its the 50th anniversary.

John P. Costello, Dallas, will be hon-

ored at the meeting as the winner for the sixth time of the grand challenge award, highest honor annually bestowed by Southwestern Life for paid-for production.

## Award CLU's at San Antonio

San Antonio (Tex.) C.L.U. chapter honored new C.L.U.'s at a dinner meeting. Designations were presented by Barney T. Matteson, State Mutual Life, president. Warren Hewitt, Northwestern National, immediate past president, reviewed the origin and development of C.L.U. studies.

# WHAT TO SAY

Some companies and even a few advertising agencies seem to be uncertain as to just what to say in their insurance paper advertisements. They observe occasionally that writing advertising copy for the insurance papers is a fairly formidable chore.

It need be nothing of the kind. Writing an advertisement is as easy and simple as writing a letter, if the one who has the responsibility for writing it will forget that it must be "literary", or printed in some special style and size of type. Neither should anyone believe that to be successful an advertisement must feature prominently the picture of a pretty girl, or the beauties of nature.

The first and almost the only rule for writing *any* advertisement is "have something to say". If you have, and if you will say it honestly and sincerely, it will be read.

If you haven't, if your company is so colorless and so completely undistinguished that you can think of nothing to say regarding it which might be interesting to prospective agents, then an advertisement for it should not be written.

We believe that there are few companies indeed in such a low and unredeemable state. Every company that is going to stay in business has its own story to tell, its own special points of interest to emphasize. If you can paint an attractive picture of your company conversationally, you can do so in a series of advertisements.

It is as simple as that.

## The NATIONAL UNDERWRITER

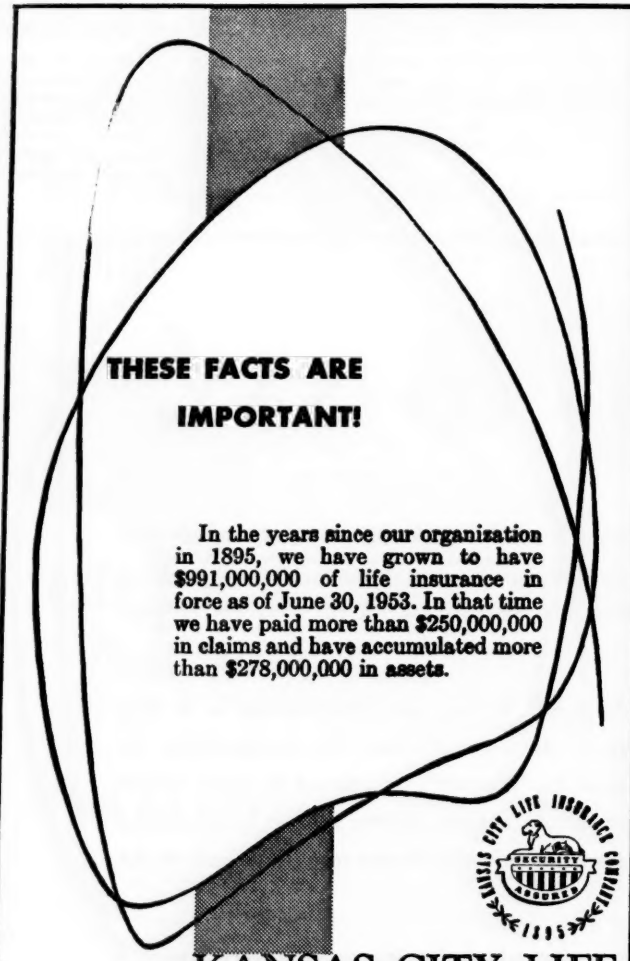
Largest Circulation of Any Weekly Insurance Newspaper



Number six of a series


## 'Search' Being Aired in New Time Slot

"The Search That Never Ends," the Mutual network program presented in cooperation with Institute of Life Insurance, began a new broadcasting time this week. The program now is heard over MBS, with the exception of WOR-New York, Tuesdays from 9:30 to 10:00 p.m., EST. Because of previous Tuesday commercial commitments, "Search" will be heard in New York City over station WOR on Saturdays, from 9:00 to 9:30 p.m., EDT, on Sept. 26, and 9:00 to 9:30 p.m., EST, thereafter.



**THESE FACTS ARE  
IMPORTANT!**

In the years since our organization in 1895, we have grown to have \$991,000,000 of life insurance in force as of June 30, 1953. In that time we have paid more than \$250,000,000 in claims and have accumulated more than \$278,000,000 in assets.



**KANSAS CITY LIFE  
INSURANCE COMPANY**

territory in 39 states and the District of Columbia



**HERE'S  
YOUR  
KEY**

**TO**

**The Shamrock**

**AND A  
WELCOME**

**WIDE AS TEXAS**

Low package room rates for week-ends.

**The Shamrock**

**HOUSTON**

GLENN McCARTHY, President      FRANK H. BRIGGS, V. P. and Gen. Mgr.

## Card of Council on Employee Benefit Plans

The program of the annual conference of the Council on Employee Benefit Plans, which will be held Oct. 22-23 in New York City, has been completed. It will start with a talk on the role of the federal government in providing old age, health and welfare benefits by Congressman R. W. Kean of New Jersey. Other employee benefit associations then will confer — National Committee on the Aging, with G. Warfield Hobbs, III, vice-president National City Bank of New York, chairman; American Pension Conference, Charles A. Siegfried, actuary of Metropolitan Life, chairman; Council of Profit Sharing Industries, Sartell Prentice, Jr., who is field secretary of the northeast chapter of the council, and Research Council for Economic Security, Mr. Hobbs.

In the afternoon Delbert L. Pugh, executive director of the Columbus Hospital Federation, will discuss the hospital admissions plan of Columbus, O.; John H. Hayes, director of the Commission on Financing Hospital Care, problems of financing hospital care; Ray M. Peterson, vice-president of Equitable Society, insurance contracts as a method of funding retirement benefits, and Ernest Colgrove, vice-president of Guaranty Trust Co. of New York, trust company funding of retirement benefits.

The second day will start off with a talk on keeping employees informed by Allen K. Heydrick, Weirton Steel Co., and James Andrews, Jr., director of health insurance of Life Insurance Assn. of America, will talk on the Health Insurance Council. In the afternoon Kenneth Williamson, vice-president of Health Information Federation of New York, will talk on voluntary health care. This will be followed by an open forum on several subjects. The discussion of keeping employees informed will have Mr. Heydrick as leader, major medical expense insurance, James Duncan of General Electric, the ideal hospital-surgical-medical plan, Harold Homuth, treasurer of Jewel Tea Co., and administration of sickness and accident compensation plans, Robert H. Austin of I.B.M.

Charles E. Tosch, who is employee benefit administrator of Lever Brothers Co., is general chairman of the conference.

## Accidents Greatest Threat in Teens, but Rate Is Low

Death rate for teen-agers remains relatively low, statisticians of Metropolitan Life report, and accidents constitute the greatest threat to their lives.

Between ages 13 and 19, the death rate among boys rises from 0.64 to 1.31 per 1,000, while among girls, it increases from 0.37 to only 0.56 per 1,000. Although chances of accidental death rise steadily for both through the teen-age period, the hazard is much greater for boys, the Metropolitan staff reports. Between 1950-1952, death rates from accidents for girls doubled from ages 13-14 to 18-19 years, when it reached 14.7 per 100,000, and the death rate for boys almost tripled over the same age range, reaching a level of 85.7 per 100,000 at 18-19.

Motor vehicle accidents accounted for almost two-thirds of all deaths among boys in the 18-19 bracket, and for about four-fifths among girls.

• Glenn N. Hurst, district manager at Pasadena, Cal., is observing 40 years of service with Prudential.



## Confidence

FRANK C. STIVERS, Los Angeles, Calif., led all first-year agents of Pacific Mutual in 1952 production. "What helped me most," says Frank, "was confidence; the confidence I gained when Pacific Mutual Pre-Induction Tests showed me I really had the qualifications to succeed in life insurance—even after 12 years in banking."



**Pacific  
Mutual**

LIFE INSURANCE COMPANY

HOME OFFICE  
LOS ANGELES, CALIFORNIA

GLASS OF THE PACIFIC

1868

LIFE • ACCIDENT & HEALTH  
RETIREMENT PLANS • GROUP

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## Life Insurance a Business of People, Palmer Tells LOMA

CINCINNATI—The major responsibility of a life insurance company president is people, H. Bruce Palmer, president of Mutual Benefit Life, told the annual meeting here of Life Office Management Assn.

The life insurance business is essentially a business of people, Mr. Palmer said. It has no sprawling factories, does not produce machines nor other products of utility. He told the group that all the major elements of a life insurance company were people, home office staff, policyholders, agents and others who make a life insurance company tick.

"My executive function as president should be viewed as encompassing three major responsibilities, coordination, public relations and planning," Mr. Palmer declared. "When the executive carries out the first of these functions, coordination, he is dealing with people. The creative activity of individuals solves all problems whether it be in business, in government or in social relationships. You who are the leaders—and strive for greater leadership in your companies—must be willing to accept the challenge that handling people brings. You must learn to stimulate individual effort of the people in your charge."

Mr. Palmer called attention to "the great opportunities for research which your organization has" because of the free flow of information on an intercompany basis. He told the office managers that they were faced with an unusual opportunity to contribute to their companies' problem of rising costs.

"In my own company," he said, "we have established a cost control council entrusted with the responsibility to develop a comprehensive program to set up cost controls."

"It is our belief that a proper control of personnel can eventuate only from sound work standards. This will become the focal point of our cost control program. When standards have been created and are thereafter maintained, the only hope for improvement will come from attention to methods and procedures being used by people in the organization. This becomes a very natural second step, therefore, in the over-all cost control procedure."

"It would be my observation that too few department heads are fully aware of the total costs involved in their particular function."

### State Mutual Raises Three Men in Group Division

Three promotions made by State Mutual Life in its group division involve:

Melvin E. Wilson, Jr., manager group accounts department, elected a company officer; Melvin W. Schuh, now assistant secretary in charge of a newly organized group branch; and Abbott P. Allen, named manager of the group term and casualty department.

Mr. Wilson has been with State Mutual since 1946, Mr. Schuh since 1927, and Mr. Allen since 1937. All three men are veterans.

### Newspaper for Producers

The Class A division of National Bankers Life of Dallas has come out with its own newspaper, a neat four-page publication produced by offset

called the "Press". The monthly paper carries news of production records, company meetings, pictures of personalities, a sketch of company celebrities, and a message from President Pierce P. Brooks.

### Va., D. of C. Managers Meet

A two-day meeting of Metropolitan Life managers from Virginia and the District of Columbia was held at Staunton. A. Rogers Maynard, superintendent of agencies, directed the conference.

### 35 Added to Occidental's Leading Producers Club

A record of 35 top agents for Occidental Life of California joined the ranks of the Leading Producers Club at the company's Top Club convention in Banff Springs, Canada.

Requiring an average of \$1,000 of paid premiums for each of the 18 months in the qualification period, plus a minimum of 80% second-year persistency, membership in the club, founded in 1933, now totals 150.

New officers are General Agent

Howell A. King, Baltimore, president; Robert E. Watson, Sr., San Francisco, 1st vice-president, and Frank J. Longo, Los Angeles, 2nd vice-president.

### Southland Training Class

Agents from Arkansas, Oklahoma, and Texas attended "Southland College", sales training school conducted by Southland Life at its home office in Dallas. School director was Herman Ford, assistant vice-president and director of sales training, and C. Joe Willis, field assistant, was co-instructor.

## Inside such doors...

you'll find some of  
the best and most  
successful men in the  
life insurance business

From coast to coast, here they are:

## NORTHWESTERN MUTUAL'S GENERAL AGENCIES

Listed here are 90 good reasons why no company excels this one in old customers coming back for more. The general agents heading these organizations are men whose qualities of leadership and personal ability are outstanding. Each has been chosen from within this Company. As for the individual agents—155 won membership last year in the MILLION-DOLLAR ROUND TABLE ... and 289 have earned the degree of CHARTERED LIFE UNDERWRITER.

ARIZONA  
H. F. Vinson

CALIFORNIA  
P. E. Demeter  
J. S. Kerns  
J. R. Mage  
R. J. Shipley  
R. W. Stockton

COLORADO  
R. L. Theisen

CONNECTICUT  
G. B. Dorr

DIST. OF COLUMBIA  
P. R. Harrison

GEORGIA  
J. M. Law

IDAHO  
Ray M. Wagoner

ILLINOIS  
E. E. Cantrall  
C. R. Garrett

W. L. Jacobsen  
Jamison & Phelps  
D. A. Kaufman Co.  
B. J. Stumm

INDIANA  
H. L. Cramer  
B. A. Million  
G. E. Morrison

IOWA  
J. H. Copeland  
H. C. Myhre  
W. C. Roeder  
L. P. Schwinger

KANSAS  
H. W. Laffer  
G. V. Metzger

KENTUCKY  
W. H. Honeycutt  
H. M. Johnson, Jr.

MAINE  
W. B. Cushman

MARYLAND  
Russell L. Law

MASSACHUSETTS  
G. B. Buckley  
J. E. Stone, Jr.

MICHIGAN  
J. Rex DeHaas  
C. R. Eckert

R. W. Emerson  
B. W. Gilmore  
G. M. Stinson

MINNESOTA  
W. C. Dunbar  
S. A. Erickson  
W. W. Lundgren  
F. R. Olsen

MISSOURI  
S. C. Pearson, Jr.  
J. H. Veatch

MONTANA  
Howard Hoene

NEBRASKA  
Milton Koch  
K. M. Snyder

NEW HAMPSHIRE  
V. D. Griffin

NEW JERSEY  
J. W. Heinekamp  
J. V. Talbot

NEW MEXICO  
H. L. Cundy

NEW YORK  
P. T. Allen

P. E. Burke, Jr.  
E. R. Dill  
J. Kenneth Elliott  
E. R. Gettings  
J. R. Guy  
A. J. Johannsen  
Krueger & Davidson  
E. E. Lincoln  
W. F. McMartin

NORTH CAROLINA  
L. W. Norton

NORTH DAKOTA  
P. W. Avery

OHIO  
R. J. Dolwick  
E. V. Gettys  
W. J. Mack  
R. E. Werts  
H. E. Whalen  
S. L. Youngquist

OKLAHOMA  
J. G. Darling  
A. W. Miller

OREGON  
L. J. Evans

PENNSYLVANIA  
R. A. Clark

R. E. Eckel  
A. C. F. Finkbinder  
V. W. Huber  
Geo. K. Reynolds, Jr.  
C. A. Votaw

RHODE ISLAND  
E. T. Lothgren

SOUTH DAKOTA  
H. Neal Jones

TENNESSEE  
E. T. Proctor

UTAH  
S. C. Young

VIRGINIA  
H. D. Goldman

WASHINGTON  
B. B. Boyd  
J. F. Habegger

WEST VIRGINIA  
C. O. Law

WISCONSIN  
M. A. Carroll

J. L. Craig  
C. L. Egbert  
F. R. Horner  
W. L. Momsen

The  
NORTHWESTERN MUTUAL  
Life Insurance Company

MILWAUKEE, WISCONSIN

"The Career Company"

## Now Is the Time to Sell, Continental American Rally Told

Continental American's Managers and General Agents Assn., at its annual meeting at Atlantic City in conjunction with the 1953 convention of the company's President's Club, elected the following officers: John F. Hazel, manager at Wilmington, Del., president; Sam B. Sapirstein, general agent at Brooklyn, vice-president; Charles I. Jamieson, manager at Morristown, Pa., secretary-treasurer.

Speakers who addressed the President's Club were Continental American President Claude L. Benner, William R. Murphy, Delaware commissioner, and Max S. Bell, company vice-president. Presiding at a sales panel on "Prospecting" on the last day of the three-day convention was Patrick H. Yeoman, superintendent of agencies.

Mr. Benner, in a survey of the "Present Economic Situation," declared, "there was never a period so favorable to the selling of a large volume of life insurance that exists right at this mo-

ment." Although there is no real necessity for believing pessimistic assertions that our present boom can go no place but down, he said, this is as good a reason as any for increasing sales during this year in the belief that there might be a recession next year.

It is clear, at any rate, that "you can count on a bang-up fall selling season. Spending money is jingling in the average person's pocket as never before. Personal income is high and will get higher before the year is over."

These pleasant factors are affecting every part of our economy and probably the sales of life insurance as much as any: A period of prosperity, the like of which has never been seen in the past; peak wages, increasing faster than the cost of living; record levels of corporation profits, at an estimated annual rate of \$21,500,000,000; higher dividend payments to stockholders than ever before in our nation's history; probably a new record in total personal income; and one of the lowest unemployment periods on record. Is it any wonder, Mr. Benner asked, that the sale of new life insurance today is running 20% ahead of what it was a year ago? "Your insurance market was never better."

He said that the volume of business today is so high that a considerable recession in total production would not shake this country out of a real boom, measured by past standards. Normally, four or five years, or even less, is the usual limit of super-normal activity, and yet for the last 14 years industrial production has been held above what is called a calculated normal, Mr. Benner observed. "We as a people have rebelled against the idea that we must periodically be victimized by depressions."

Also contributing to a future great stimulus to business expansion, he declared, are the promised cuts or terminations to various taxes: Individual income taxes are to be reduced on Jan. 1 on the average of about 10%, the excess profits tax is to be eliminated altogether, corporation income tax is to be cut from 52% to 48½%, and maximum capital gains from 26½ to 25%. The scheduled 10% reduction in an individual's income tax alone will increase his buying power a good deal more than a 10% increase in his gross income, Mr. Benner said.

## Continental American, Tex., Elects Greenfield President

J. B. Greenfield has been elected president of Continental American Life of Houston, succeeding Spurgeon E. Bell, who has resigned to accept a judgeship appointment in Texas.

Mr. Greenfield, who founded Continental American in 1952, has been in the business since 1934. He will continue to serve as chairman of the board in addition to his new duties.



J. B. Greenfield

## Woodward Heads Amer. Country Life

Joe Woodward, former vice-president and agency director for Volunteer State Life, has been named president of American Country Life, a new Houston, Tex., company.

Mr. Woodward began in insurance with his father's agency at Amarillo, Tex. In 1933 he was named secretary of Trinity Life, and in 1935 vice-president, which made him the youngest vice-president of a major insurance company in the nation.

Going with Southland Life in 1938, he was named vice-president and agency director in 1941. Ten years later he left Southland to become southwestern vice-president for Franklin Life, from which position he went with Volunteer. Mr. Woodward is one of the founders and a vice-president and director of Southern Methodist University institute.



Joe Woodward

## L. & C.'s 50th Year Gets Fine Daily Treatment

The Nashville Tennessean printed a 30-page special section in its Sunday, Sept. 13, issue, to commemorate the golden jubilee year of Life & Casualty.

The exclusively insurance section included interviews with personnel, insurance trend stories and sketches of key individuals in the company, such as Guilford Dudley, Jr., president; Andrew M. Burton, president emeritus; Paul Mountcastle, chairman.

The section also carried feature stories by Charles J. Zimmerman, managing director of L.I.A.M.A., and Hagar J. Johnson.

Fifth of a series now appearing in leading daily newspapers:



## The Pilot Is Fifty!

Policyholders recognized Pilot Life agents as informed, understanding counselors in life insurance from the earliest days of the company. Throughout its first 50 years Pilot Life underwriters have stressed life insurance programming and intelligent service to their policyholders.

It takes many long, patient months and years of careful training to produce a qualified Pilot agent. Pilot Life's home office schools, advanced instruction and field training programs are ideally planned and executed.

This training bears fruit in the confidence of 1,750,000 men, women and children who believe in their Pilot agent and look to him for protection.

The Pilot's field force, consisting of a handful of agents in the early 1900's, has today grown to a closely-knit team of over 1,000 men in 15 states and Puerto Rico.



*Pilot Life Insurance Company*

PILOT TO PROTECTION FOR OVER FIFTY YEARS • O. F. STAFFORD, President • GREENSBORO, N. C.

## THESE ARE YOUR Successful Selling Needs...



Additional General Agency appointments available in Michigan, Ohio, Indiana, Illinois, Minnesota, Iowa, and Florida  
R. E. IMIG  
Agency Vice-President

- 1 A full line of life policies with attractive term riders that offer liberal provisions.
- 2 Complete Sickness, Accident and Hospital coverage with 9 new streamlined policies.
- 3 Home Office training schools.
- 4 Career contracts.
- 5 Production clubs, conventions, awards, excellent sales aids.

A GENERAL  
AGENCY  
COMPANY



LIFE • SICKNESS • ACCIDENT • HOSPITAL



# **Heads ry Life**



Joe Woodward

mer vice-presi-  
or for Volunteer

the youngest  
major insurance

Life in 1938,  
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HOSPITAL

## **H. R. Kendall Marks 60th Insurance Anniversary**

This week marks the anniversary of H. R. Kendall's 60th year in the insurance business. The present co-chairman of Washington National commenced his colorful insurance career at New Albany, Ind., as an agent for Prudential. At the age of 21, he became manager at Terre Haute, in charge of 40 men. His record there earned him promotion to manager at Louisville, where he became a stand-out in the Prudential organization. Four other brothers also joined Prudential and the five Kendalls established enviable records with that company.



H. R. Kendall

With his brother, George, Harry R. Kendall organized the company which is now Washington National. At the end of the first year of business, it had assets of \$517.40. Today Washington National has assets in excess of \$160 million with more than 4,000 agents from coast to coast.

At an informal celebration in the company's recently completed seven-story home office building in Evanston, Ill., Mr. Kendall was presented with a thick volume of congratulatory messages from friends and insurance associations from all over the nation.

When asked what he felt his greatest accomplishment had been over these 60 years, Mr. Kendall said, "I think that probably my greatest pride has been in the records established by men trained and developed by me over the years. No one can have a feeling of accomplishment in building an organization such as ours unless he has also been able to build men to carry on for him."

The presentation of resolutions and personal congratulations from Mr. Kendall's brother, G. R. Kendall, chairman of executive committee; Chairman R. J. Wetterlund, President Paul Watt, and other home office executives was made at an informal company gathering.

## **L. A. Group Managers Pick Woodland for President**

Group Managers Assn. of Los Angeles has elected Herbert Woodland, Continental Casualty, president; Joseph Stall, Pacific Mutual, vice-president, and Jack Curtin, Union Mutual, secretary-treasurer.

## **CLU Class Organized**

Organization meeting of a new class for Part D of the C.L.U. course was held at Dallas. The class will meet each Monday in the Southwestern Life cafeteria.

## **Studying Agents' Qualification**

A committee of the Kansas legislative council has begun work on a study of "Qualification of Insurance Agents." Meeting with the committee were Cecil N. Peterson, legislative committee chairman of Kansas Life Underwriters Assn., and Martin G. Miller,

secretary; Sen. Laurin W. Jones, Kansas Assn. of Insurance Agents legislative committee chairman and former president; William L. Kline, K.A.I.A. president, and Kenneth Ross, Kansas state national director and executive committee member of National Assn. of Insurance Agents.

•Union Life of Chicago has been licensed in Montana, Wyoming and Idaho. Joseph J. Miller is president and founder of Union Life, which was organized in 1935 and has been operating in Illinois, Indiana and Missouri.

## **Boxing Leaders to Plug Compulsory Cover**

National Boxing Assn., which is holding its convention at Milwaukee next week, will make an effort to have accident insurance made compulsory for professional boxers.

Athletic commissions in New Jersey, California, Illinois, Massachusetts, Pennsylvania, Virginia and Rhode Island already have adopted such rules. George Barton, president of N.B.A., commented: "This insurance costs only

50¢ per boxer per bout, while it provides \$1,000 in case of death, \$500 for medical and hospitalization and \$50 for dental services. I am sure a similar plan could be worked out universally for the N.B.A. with some insurance company...In professional boxing the insurance could be provided by deducting a small percentage of the purses of each boxer and manager and from the promoter."

• A training course for agents of Postal L. & C. was held at Dallas.

# Mr. Agency Builder:-

## How Happy Can You Be?

You'll Never Know Until You

Investigate

NEW  
Golden Rule

AGENCY  
BUILDER'S  
CONTRACT

A NEW DAY

NEW  
Golden Rule

PENSION  
PLAN

YOUR  
GOLDEN  
OPPORTUNITY

3  
of the  
10 BIG  
REASONS



TOP COMMISSION on 15 leading contracts. Long term vested renewals. Cash bonus and extra renewals to your agents for recommending new agents.



MONEY-MAKING SALES PACKAGES. New! Colorful! Dynamic! Plus a new, easy-to-use Brain-Book and Brain-Kit. Your agents can't miss!



PACKAGED TRAINING PLANS. New! Amazingly simple! Easy to use! A quick money-maker for new or old agents!

Ask for Other Reasons-INQUIRIES HELD CONFIDENTIAL

## **THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY**

Columbus 16, Ohio

Carl Mitcheltree, Pres.

Ben F. Hadley, Vice-Pres. & Sup't. of Agents

## **TERRITORIES:**

Opportunities open in: California, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D. C., and West Virginia.

## National Magazine Ads for October

Following is the national advertising which life companies have reported for October issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

Bankers Life of Iowa—*Better Homes & Gardens*; *Successful Farming*; *Time*, Oct. 26.

John Hancock—*Life*, Oct. 19; *Newsweek*, Oct. 26; *Saturday Evening Post*, Oct. 10; *U. S. News & World Report*, Oct. 23.

Lincoln National Life—*Life*, Oct. 12; *Saturday Evening Post*, Oct. 3, 24.

Massachusetts Mutual—*Newsweek*, Oct. 12; *Saturday Evening Post*, Oct. 31.

Metropolitan Life—*American Magazine*; *Business Week*, Oct. 24; *Collier's*, Oct. 2, 30; *Cosmopolitan*; *Forbes*; *Good*

*Housekeeping*; *Ladies' Home Journal*; *McCall's*; *National Geographic*; *Newsweek*, Oct. 26; *Saturday Evening Post*, Oct. 17; *Time*, Oct. 12; *U. S. News & World Report*, Oct. 16; *Woman's Home Companion*.

Mutual Benefit Life—*Fortune*; *Saturday Evening Post*, Oct. 17; *Scholastic Magazine*, Oct. 14, 28.

Mutual of New York—*Collier's*, Oct. 16; *Life*, Oct. 12; *Newsweek*, Oct. 5; *Saturday Evening Post*, Oct. 17; *Time*, Oct. 5.

New York Life—*Business Week*, Oct. 24; *Collier's*, Oct. 2; *Country Gentleman*; *Dun's Review & Modern Industry*; *Life*, Oct. 26; *Newsweek*, Oct. 10; *Saturday Evening Post*, Oct. 17; *Successful Farming*; *Time*, Oct. 12; *U. S. News & World Report*, Oct. 9.

Penn Mutual—*Saturday Evening Post*, Oct. 17.

Phoenix Mutual—*Better Homes &*

*Gardens*; *New York Times*, Oct. 18. Security Mutual—*Atlantic Monthly*.

## S. R. Coffin to Long Beach as Aetna General Agent

S. Rush Coffin has been named general agent for Aetna Life at Long Beach, Cal., effective Oct. 1. Mr. Coffin has been supervisor at Hartford, where he served as a vice-president of the C.L.U. chapter. He is a past president of Hartford Life Underwriters Assn.

A naval air corps veteran, Mr. Coffin began his career with L.I.A.M.A. in 1946. The following year he joined Aetna Life and in 1950 was named supervisor at Hartford.

Western Republic Life has opened a branch office at San Antonio with V. E. Johnson in charge.

## Value of Conventions Is Weighed in L.I.A.M.A. Magazine

Are life insurance conventions worth while? This subject is the theme of the September issue of L.I.A.M.A.'s *Manager's Magazine*.

The consensus of contributors seems to be that conventions are worth while only if well planned. What do home office officials think of conventions? Fred Lyter, agency secretary for Connecticut Mutual, points out conventions pay if they are good and if they provide an incentive for agents to increase production in order to qualify. "In our company, the quality of business produced in the late period of a convention drive is always very good from both the underwriting and persistency angles," Mr. Lyter says.

The question of how hotel staffs feel about conventions is answered by Phil Weber, vice-president and general manager of the Edgewater Beach hotel, Chicago, who tells what "conventioners" can do in cooperating with hotels to guarantee success of conferences.

But not everyone likes conventions. Pros and cons are voiced by six managers and general agents in answer to the question "Should Life Insurance Companies Hold Conventions?" J. A. McCamus, director of agencies, North American Life of Toronto, states, "We feel the disadvantage of company conventions far outweigh any advantages. Building morale, rubbing shoulders with big shots and associating with head office representatives do not offset for agents the time lost in the field. And, so far as the head office is concerned, any increase in business attributed to a convention is not enough to justify the convention cost."

On the other hand, T. A. Proctor, manager for Jefferson Standard at Seattle, says, "It is my belief that conventions are a very necessary and integral part of agency operations. They are a definite stimuli to an agent's incentive to increase his production and after he has attended his first convention he will strive hard to qualify year after year."

Charles J. Zimmerman, managing director of L.I.A.M.A., voices his opinion on the subject and there also is a summary of an L.I.A.M.A. research study made of company conventions.

The October issue of *District Management* will also be based on the convention theme.

## Boston Mutual's 8-Month Figure Is Company Record

Boston Mutual's new life insurance for the first eight months of this year was the highest in the company's history. Combined sales of more than \$28 million exceeded the previous high for the same period in 1952 by 14% and ordinary sales alone were up 20%. Total insurance in force at the end of August rose to more than \$237 million.

## Life of Va. Managers Meet

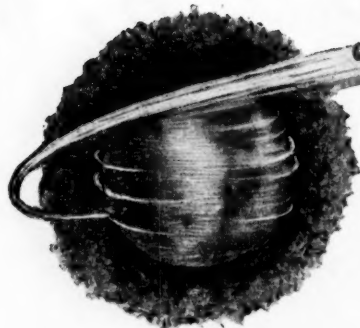
Managers for Life of Virginia in 18 principal cities and towns held a two-day meeting at Richmond, Va., with H. P. Anderson, vice-president in charge of the weekly premium department.

The meeting, with George F. Albright, assistant vice-president, presiding, is one of a series of regional meetings to be held in the 19 states in which the company operates.

WHEN YOU ARE READY TO GROW INTO MANAGEMENT AND YOUR OPPORTUNITY IS STIFLED BY TOO MANY AHEAD OF YOU, WE'RE READY. SO—

# Let's Go!

- Health & Accident
- An Unusually Complete Line of Juvenile Policies
- Substantial 1st Year Commissions
- Up to 9 Years Vested Renewal Commissions
- Lifetime Compensation
- Production Bonuses
- Liberal Disability Income
- Substandard Service
- Quick Sale Packages Plus The Famous "Insured Savings", "Money Saver", "Time Buyer" Plans



THE OHIO STATE LIFE Insurance Company

Columbus 15, Ohio



Claris Adams, Pres.

Frank L. Barnes, 1st V.P. and Director of Agencies

## TERM FOR CONTROLLED DIABETICS?

IT WILL PAY YOU TO CHECK OUR FACTS AND FIGURES.

BRANCH OFFICES

- Baltimore • Chicago • Cincinnati • Cleveland • Detroit • Hartford
- Honolulu • Lansing • Los Angeles • Newark • Philadelphia
- Pittsburgh • Portland • Saginaw • San Francisco • Seattle

Also licensed in the Dist. of Columbia, Arizona, Delaware, Idaho and Virginia.

YOUR OWN COMPANY FIRST . . . THEN

# THE MANUFACTURERS LIFE

1903 • 50 YEARS IN THE UNITED STATES • 1953



## NORTH AT INDIANAPOLIS

### Merely Following Crowd into A.&H. Can Be Disastrous

The company or agency which goes into A.&H. "because everybody else is doing it," or because it wants to get premium money its men are brokering anyway, will do the business more harm than good, William E. North, northern Illinois manager for New York Life, Chicago, retiring chairman of the A.&H. committee of N.A.L.U., told a capacity crowd at the September meeting of Indiana Assn. of A.&H. Underwriters in Indianapolis.

The same day, Mr. North also addressed a meeting of Indianapolis General Agents & Managers Assn.

"Entering the business with such an attitude," he said before the A.&H. meeting, "means that if you are a company, you will issue an inferior line of policies and tend to underwrite at the time of claim instead of the time of issue. Also, in either company or agency, such an attitude means that inevitably you will not train your men in the service concept so essential in the A.&H. field."

Mr. North also charged that there is a desperate need for better training in A.&H. at the field level. "How much life insurance would we be selling today," he asked, "if companies in general were paying no more attention to promotion and training in that field than they are in A.&H?"

The speaker reported that during his year as chairman of the N.A.L.U. committee, he had found there are three different attitudes toward A.&H. among life companies and agencies.

"First," he said, "there are those within the home office and among field managers who are unalterably opposed to their company getting into A.&H. Second are those who accept it as 'inevitable' but are not going to do anything about it until forced to. Third are those who are enthusiastic about a new field that they see offering them an opportunity to be of expanded service to the public and a chance to push out their own earning horizons."

Mr. North offered the opinion that a good balance of production for a life man is 25% A.&H. and 75% life, based on first-year earnings. A.&H., resulting in more frequent closes, sharpens a man's "closing edge," he declared, resulting in more effectiveness in life sales.

The speaker also urged cooperation between life and A.&H. associations in putting on D.I.S.C. (Disability Insurance Sales Courses) programs, a cooperation he said was pioneered by Indiana A.&H. and Indianapolis Life Underwriters associations at Butler University, Indianapolis, this past spring.

To make sure a new man will fail, finance him up to the maximum, Mr. North told the managers' gathering. No financing plan will work unless the man produces, Mr. North declared.

"Should the life man write fire and casualty lines?" he was asked, and replied that few men can do a good job in both. "This is an age of specialization," he declared; all-lines writing is too big a field to try to cover and still do a professional job.

Writing a lot of term is a way to go broke fast, he stated, answering another question, "Are there dangers in selling too much term?"

No manager can make an agent suc-

ceed, he said, urging that the manager work as a team with his agents.

As to how to keep a man on a training plan, the speaker advised getting a firm commitment from the agent at the time he is recruited. "Insist the job be done. Take no excuses. But before you go out recruiting, make sure you are organized yourself. Put your recruiting talk on wire or tape and decide after listening back to it whether you yourself would 'buy' on the basis of that talk."

"How much time should you spend

with the clerical personnel in the agency?" he was asked. "None, that's what you hire a cashier for," he answered.

### Enthusiasm Is Defined

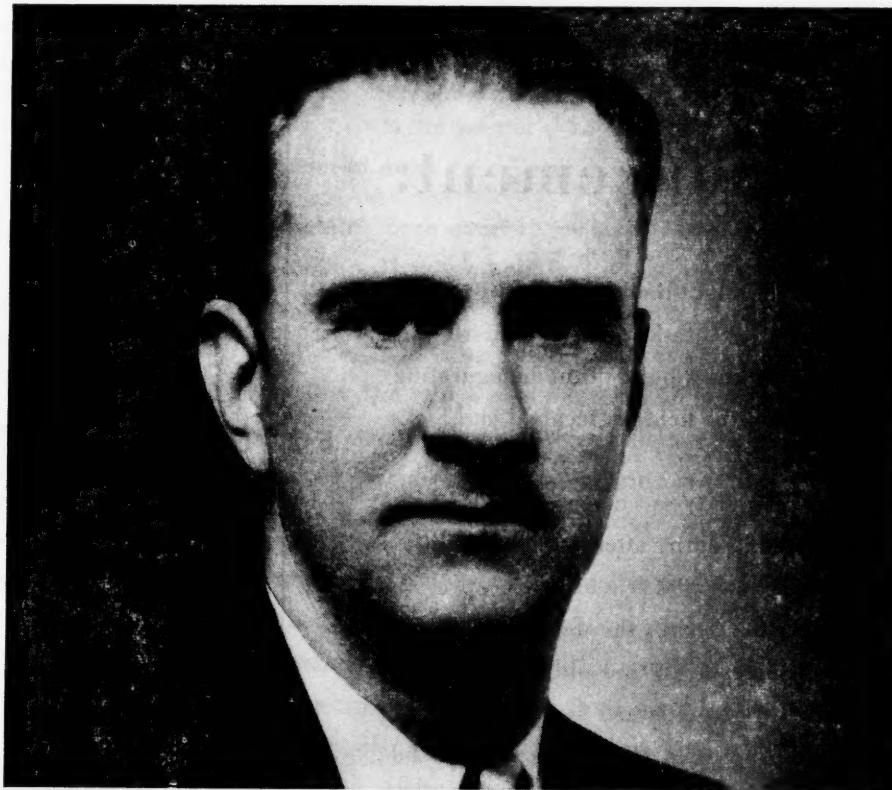
Los Angeles Life Agency Supervisors Assn. at its first fall meeting heard Jerry Jacobs, Frito Corp., talk on "Infectious Effects of Enthusiasm." Enthusiasm for a job can be generated by doing something in slack periods, he declared. He praised life supervisors as being better trained than salesmen in any other line.

### National Bankers Promotes Lange to Agency Director

E. A. Lange, former assistant agency director, has been promoted to assistant vice-president and agency director of National Bankers Life. He started with the company in 1949 in the agency department. He formerly was in National Service Life work with Veterans Administration.

• Kenneth F. Hibler has been promoted to field superintendent at Fort Wayne, Ind., for Kentucky Central L. & A.

## Congratulations, BOB GILMORE



### New President of the National Association of Life Underwriters

During your 18 years with the Hartford Agency of Mutual Benefit Life you have contributed much to the life insurance industry...and to NALU in which you have served so ably as committeeman, trustee and secretary, and now will serve as president.

THE  
**MUTUAL  
BENEFIT  
LIFE**

INSURANCE COMPANY  
Organized in 1845  
300 Broadway, Newark, New Jersey

## Corporate Bond Study Published

NEW YORK—The National Bureau of Economic Research announced this week *The Volume of Corporate Bond Financing since 1900*, published by the Princeton University Press. A large part of the financing of this study was supplied by life companies because of their interest in the experience with bond financing. More than 28,000 bond issues were examined. It was compiled by W. Braddock Hickman of the bureau's staff. The statistics he presents open the way to new knowledge of the capital market. The report on corporate bonds is the first of three studies. The other two deal with urban real estate financing and agricultural finance.

## Three Life Men on Mass. Retirement Study Group

Three life insurance men are members of the five-man commission appointed by Governor Herter of Massachusetts to study certain changes in

the state retirement law. They are Edward A. Green, 2nd vice-president of John Hancock; Orville F. Grahame, vice-president and general counsel of Paul Revere Life and Massachusetts Protective, and W. Roy Carrick, general agent of Aetna Life at Worcester.

The question of pensions for legislators played an important part in the last election, as special pension legislation for legislators was allegedly rushed through in the closing moments of the preceding session.

## Sanner to United American as V.P., Agency Director

William H. Sanner has been elected vice-president and director of agencies of United American Life, effective Oct. 1. His previous life company affiliations include California-Western States Life, Western Life of Montana and Great Northwest Life of Spokane.



William H. Sanner

## Negro Assn. Hears Spaulding at Miami

National Negro Insurance Assn. heard A. T. Spaulding, vice-president-actuary and controller of North Carolina Mutual Life, at its Miami meeting this month on "The Tree of Life Insurance and Its Fruits." In addition to allegorically pointing out the benefits of life insurance as such, Mr. Spaulding also gave figures on the volume of business transacted by life insurance companies owned and operated by Negroes.

The amount of insurance in force on the lives of Negroes in their companies at the close of 1952 was approximately \$1 1/4 billion, Mr. Spaulding said. The amount paid to policyholders and beneficiaries by these companies during the year was approximately \$15 million. The assets of the reporting member companies of the National Negro Assn. were \$169,891,367.

The Negroes employed by these companies in the field and the home offices numbered over 9,600, the speaker noted. The payment made by these companies for salaries, services, commissions and general expenses was approximately \$32 million; taxes, licenses and fees approximately \$1,750,000, and for other purposes approximately \$1 million. This was in addition to the \$15 million paid to policyholders and beneficiaries.

Of the \$158,498,812 of invested assets of the member companies, \$40,277,152 was invested in mortgage loans; \$7,227,592 in real estate; \$4,516,918 in policy loans and liens; \$97,151,116 in bonds, and \$9,148,544 in stocks of various corporations.

## Andrews Favors Shorter NALU Annual Meetings

Commenting on the editorial, *N.A.L.U. Program Builders' Big Chance*, in the Sept. 11 issue, William H. Andrews, Jr., manager of Jefferson Standard Life at Greensboro, N.C., and a past president of National Assn. of Life Underwriters has written to THE NATIONAL UNDERWRITER as follows:

"I agree wholeheartedly with your editorial, *N.A.L.U. Program Builders' Big Chance*.

"I got to Cleveland Friday night Aug. 21 and left after the fellowship luncheon the following Friday, and I would have to be twins or triplets to attend all of the meetings I was supposed to attend.

"While I think our Cleveland convention was a fine one, I do think we have gotten to the point where we are crowding too much into a convention, and we are 'stringing it out' too far."

## Jacksonville in Running Again for N.A.L.U. Site

Following mothballing of the city of Washington as potential site for the new headquarters building of National Assn. of Life Underwriters, local groups in Jacksonville, Fla., have their hopes up once again and are booming their city for selection, according to an article in the *Jacksonville Times Union*.

This Florida city's growing reputation as the insurance hub of the southeast has added spirit to the efforts of Jacksonville Assn. of Life Underwriters, General Agents & Managers Assn. and chamber of commerce.

The new building will replace the National association's leased office in New York City.

## Discuss Agent Courses

Discussion of educational opportunities for the life agent was the fare at

a meeting of San Antonio (Tex.) Life Managers Club. The L.U.T.C. courses were explained by Jesse N. Fletcher, Great Southern Life, and the C.L.U. program by Harper Bass, Massachusetts Mutual Life.

J. L. Thorngren, Bankers Life of Iowa, club president, and Matthew Brown, General American Life, were named delegates to the meeting which has been called for the purpose of organizing a general agents and managers conference within Texas Assn. of Life Underwriters.

## List Discussion Topics for Boston SS Conference

WASHINGTON—Discussion topics have been chosen for the social security conference to be held at Boston Oct. 27 in which life insurance representatives will participate. Chairman is Carl N. Jacobs, president of Hardware Mutual Casualty, vice-president of U. S. Chamber of Commerce.

Topics are (1) Why is universal coverage a desirable objective in federal and social security? and (2) Why should old-age relief be a state responsibility?

Talks will be given by Frank B. Cliffe, vice-president H. J., Heinz Co., Pittsburgh, on "Why Universal Coverage?" A. D. Marshall, General Electric Co., "Protecting all Today's Aged"; Henry E. Blagden, 2nd vice-president Prudential, "Pay-As-You-Go Financing of Old Age Benefits"; and Leonard J. Calhoun, Washington attorney, on "States' Responsibility for Old-Age Relief."

Another feature will be a panel discussion in which speakers will be joined by H. Ladd Plumley, president State Mutual Life; Henry D. Allen, U. S. Steel Corp., and L. Roy Hawes, National Grange.

The U. S. Chamber's committee on social legislation has scheduled a meeting at New York City on Oct. 14.

## FTC Insurance Interest May Be Further Curtailed

WASHINGTON—Because of reduced funds for the federal trade commission, insurance people hear that personnel of the agency in addition to those heretofore announced, who have been close to the commission's insurance picture, may be injuriously affected.

While insurance work of FTC has been transferred from the insurance and trade-mark division to a new division on special statutory assignments, officials believe that the policies of FTC regarding its activities in the field of insurance will not really develop until after former Rep. John W. Gwynne of Iowa takes over this month-end as a commission member succeeding Stephen Spingarn. This change will insure, for the first time in many years, a Republican majority on FTC.

It is thought the commission may decide to take a new look at insurance and its jurisdiction with respect to that industry under public law 15. Under Democratic administrations, the viewpoint is said to have been generally toward enlarging and expanding that jurisdiction and the scope of FTC insurance activities.

## U. S. Life Names Stametz

Tom Stametz has been appointed manager of the Irvin agency at Brooklyn for U. S. Life. Before entering the insurance business, Mr. Stametz was on the Chicago "Breakfast Club" radio program, and served in the Department of Interior as confidential clerk to Secretary Ickes. He began in the business in 1949 with Mutual Life.

## It's Miami Beach for Phila. Life

Miami Beach has been selected for the site of the 1954 convention of Philadelphia Life. Leading agents of the company will meet there Nov. 3 at the Sans Souci hotel.

# Announcement:

On October first, Bankers Life Insurance Company of Nebraska issued its first Accident and Sickness policy thus inaugurating its entry into the field of *Accident and Sickness* insurance.

For nearly sixty-seven years Bankers Life has devoted its entire attention and facilities to the distribution of life insurance, providing protection against the destruction of income through death and old age. We now look forward to enlarged opportunities for service through protection which will defend against the destruction of individual income, due to disability, and insure the *sustained income* upon which an individual's economic stability depends.

**Bankers Life**  
INSURANCE  
COMPANY of Nebraska

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## Pa. Management Agenda Is Ready

"The Future of Agency Management" has been designated as the theme for the annual eastern management conference sponsored by Pennsylvania Assn. of Life Underwriters and to be held at Pocono Manor, Oct. 13-14.

Following an opening luncheon Tuesday, speakers will be Henry R. Glenn, associate general counsel Life Insurance Assn., on "Management and the New Administration"; Samuel D. Risley, superintendent of agencies Metropolitan, "Challenges to our Present System of Distribution"; and Seth C. H. Taylor, superintendent of agencies Sun Life of Canada, "Management Views the Future."

Besides talks Wednesday by Davis W. Gregg, dean of the American College, and Casimir A. Sienkiewicz, president of Central-Penn National Bank, there will be a panel discussion on "Managing the Man". Moderator will be Frederick W. Floyd, manager of Life of Virginia at Philadelphia. The participants, and the particular avenues they will explore, are John A. Erskine, Mutual Benefit Life, Pittsburgh, "Training"; Joseph F. Garland, Minnesota Mutual Life, Philadelphia, "Prospecting"; Carl W. Schick, Metropolitan Life, Philadelphia, "Supervising"; and John T. Flanagan, Jr., Fidelity Mutual Life, Philadelphia, "Recognizing Individual Differences."

### Postal Life Honors

#### Milton on Anniversary

NEW YORK—More than 100 were guests at a reception and dinner dance honoring Arthur Milton, general agent of Postal Life in New York City on his agency's fifth anniversary. He was Postal's first general agent when it changed over from selling exclusively by mail.

Presenting Mr. Milton a gold watch, President George Kolodny, the chief speaker, sketched the rapid progress of the agency, which in five years has paid for more than \$16 million of new business. He was the leading general agent in 1948 and 1950 and has consistently been among the top agencies. He is Postal's leading producer for 1953 and Dominick Dragonetti, one of his agents, stands second. Last year the agency won the President's Service Plaque for leading in lives.

In his response, Mr. Milton paid tribute to the others who had made the agency's accomplishments possible. He mentioned that the agency's \$16 million production in the past five years was equivalent to 31.4% of the company's total increase in insurance in force during that time.

Mr. Dragonetti, a million dollar producer, spoke briefly. Miss Dorothy Ellis, Mr. Milton's secretary, was mistress of ceremonies.

### N. E. Mutual Raises Allen

Everett T. Allen, Jr., has been appointed group attorney for New England Mutual Life.

Mr. Allen joined the company in 1944, and, except for navy service, has since served in the benefit and the pension business departments.

### N.Y.U. Insurance Courses

James Elton Bragg, head of Guardian Life's Bragg agency at New York City, and former director of the life insurance training program at New York University, will return to the university this fall to teach "Functions of Life Insurance", one of three life insurance courses to be offered by the university

in the evening.

Other life courses in the fall curriculum include: "Life Insurance and Estate Management," and "Principles and Structure of Life Insurance". General insurance courses on the program are "Principles of Insurance" and "Social Insurance."

### Named to Miss. Life Post

Inter-Ocean of Cincinnati has appointed J. Carroll Loper life manager for Mississippi with headquarters at Jackson. A naval air corps veteran, Mr. Loper entered the business with Massachusetts Mutual Life.

## Occidental of California Western Regional Meet Brings 350 to Coronado

Occidental Life of California's western regional convention at Coronado, Calif., last week attracted more than 350 agents, wives, and home office executives from the western U. S., Canada, and Hawaii.

Honored as regional vice-president of Occidental's production club, Los Conquistadores, was W. D. Tyrer, Elgood-Edwards agency at Vancouver.

The meeting was opened with a welcoming address by President Horace W. Brower. Superintendent of Agencies J. Edward Carnal moderated a panel discussion of "Work Habits" participated in by Robert D. Edwards, Montebello, Cal.; Carl S. Glasgow, Santa Barbara, Cal.; Charles S. Kimber, Los Angeles, and Ben F. Martin, Chehalis, Wash.

●Rio Grande National Life has established an ordinary agency at Beaumont, Tex., with Dick Fulbright as manager.

## Ever Been Fined for Wearing a Tie?

A handsome cravat may be the height of good taste on most occasions, but when worn at one of Northwestern National Life's agents training schools it costs the wearer a 25-cent fine, collected by the group's own sergeant at arms.

Informality is the keynote at these quarterly schools, now entering their 12th year of operation. They are held in the seclusion of a comfortable resort on the shores of one of Minnesota's 10,000 lakes. But make no mistake, this school is no "pipe," as those who have been through it will testify. The two weeks are filled with long days of study, but also with great satisfactions and friendships. Emphasis is strong on personal counseling—one counselor for every two students—and on man-to-man exchange of profitable ideas.

It's all a part of our continuing program for bringing new men, successful but unsatisfied, from other lines of business into the greater opportunity of life insurance selling with N<sup>W</sup>NL. Success of this undertaking is clearly attested to by the records of the men who "graduate" from these schools. Moreover, these men invariably have high respect and enthusiasm for the business they are in as they embark on new permanent life insurance careers which represent a net gain in quality manpower for the industry as a whole.

## NORTHWESTERN *National* LIFE OF MINNEAPOLIS

One of America's great life insurance companies

## "Destiny Is Not About Thee, But Within Thee"

This proverb could well become a part of every life underwriters' philosophy. The underwriter who plans his work—develops good prospecting habits—continually adds to his knowledge of the business—and has a personal conviction of the purpose and benefits of life insurance, will find success and happiness in his chosen profession and that "Destiny comes from within."

Beneficial Life Underwriters are aware of this important fact and are building from within.

**BENEFICIAL LIFE  
INSURANCE COMPANY**

David O. McKay, President

Salt Lake City, Utah

### Manhattan Plans Agency Conference Sept. 28-Oct. 2

Sixteen awards will be presented to sales leaders at the agency conference of Manhattan Life, to be held at French Lick, Ind., Sept. 28-Oct. 2, and attended by 98 qualifiers. The nine Manhattan Club awards will be presented at the opening night dinner by Thomas E. Lovejoy, Jr., president. James P. Fordyce, chairman, will present seven awards for leadership during the summer campaign run each year in his honor.

A high spot of the four-day program, which includes educational meetings and room-hopping sessions, will be a talk by William T. Earls, general agent of Mutual Benefit Life at Cincinnati, on "Motivation to Million Dollar Production Through Business Insurance".

The Richard M. Grosten agency at Los Angeles is first in number of qualifiers with 10.

Attending from the home office, besides Messrs. Fordyce and Lovejoy, will be Elder A. Porter, vice-president and chief actuary; Edward Fitzsimmons, secretary; Dr. L. Gordon LaPointe, medical director; Harry J. Nelson, superintendent of agencies, mid-west division; Ralph P. Schaberg, treasurer; Claude G. Fischang, underwriting department; Jerome Gilroy, controller, and George O'Dowd, agency assistant.

### Lunch for Hospital Drive

Vice-president Raymond C. Johnson of New York Life was host at a luncheon for members of the life insurance division of the United Hospital Fund of New York, of which Mr. Johnson is chairman. Charles D. Halsey, president of the fund, described the services provided by the voluntary hospitals.

Members of the life insurance division include C. W. Dow, senior vice-

president Equitable Society; Dr. L. G. LaPointe, medical director of Manhattan; Dr. J. H. Humphries, associate medical director of Home Life; R. R. Lawrence, 2nd vice-president of Metropolitan; Dr. S. A. Narins, medical director Mutual Life; G. M. Selser, vice-president U. S. Life; and E. H. Woodruff, vice-president New York Life.

### Northwestern National Has New Premium Deposit Fund

Northwestern National has introduced a new, liberalized premium deposit fund agreement, carrying a guaranteed interest rate of 2½%.

Among its provisions are: Automatic change-over during the first three years to an annual basis of premium payment; premiums and policy loan interest to be paid out of the fund as they come due; combination of PDF funds with cash values to pay up the policy after the 10th year; combination of PDF funds with cash values to mature the policy in cash; or combination of PDF funds with cash values with the resulting sum to be used under settlement options in the policy.

The agreement stipulates minimum deposits of \$10 each but maximum deposits in any one year may amount to premiums due plus 10% of the face of policy, exclusive of riders. The policyholder may build his PDF to a total of twice the face amount of the policy. The agreement provides that on the death of the insured or depositor, funds become payable in a lump sum to the named beneficiary, rather than to an estate.

### Delivers Recruiting Talk

Arthur D. Hemphill, manager at San Francisco for Equitable Society, told San Francisco General Agents & Managers Assn. "How I Select, Train and Supervise Executive Staff and Office Employees."

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As a constant support in the progress of Accident & Health underwriting, you will find Employers service in Reinsurance as modern as today, as close as the phone on your desk.  
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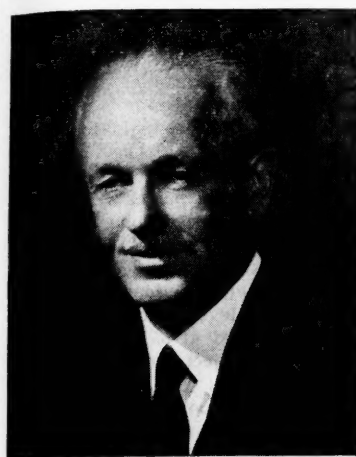
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Los Angeles 5, California



## Frost, N.E. Mutual Medical Director, to Retire at Year's End

Dr. Harold M. Frost, medical director of New England Mutual for 22 years, will retire on Dec. 31. His successor is to be announced.

Dr. Frost graduated from Brown university in 1909 and from Harvard



HAROLD M. FROST

medical school in 1915. He served in British Royal Army medical corps and U. S. Army medical corps in France and England during World War I and then became assistant superintendent of the Massachusetts Eye and Ear Infirmary, Boston.

In 1921 he was appointed examiner in the home office of New England Mutual, becoming assistant and associate medical director before his appointment as medical director.

Dr. Frost is a member of Massachusetts Medical Society, Assn. of Life Insurance Medical Directors, medical section of American Life Convention, and is chairman of the Board of Life Insurance Medicine.

Dr. Frost has bought a farm in Maine, and will reside there.

## White to Atlantic Life

Charles L. White, formerly district manager at Roanoke for Penn Mutual, has been appointed manager at Newport News for Atlantic Life.

Mr. White, a navy veteran of World War II, was with Penn Mutual at Williamsburg and Roanoke for more than three years, becoming district manager at Roanoke in 1952.



Charles L. White

## Has New Preferred Policy

Continental Assurance is now issuing an "Underwriter's Preferred Policy", a participating policy based on the life paid up at 90 plan.

The policy is issued from age 10 to 65 in minimum amounts of \$12,500. Maximum is \$250,000 to age 60 and \$125,000 ages 61 to 65.

## J. E. Pearson Is Raised

John E. Pearson has been named regional group manager at Houston for Northwestern National Life, effective Oct. 1. Mr. Pearson joined the company's group department in 1949 and in 1950 was transferred to Seattle as home office group representative. He

also has been with Marsh & McLennan.

## Hansen Made North Cal. Manager for Prudential

Willard M. Hansen has been appointed northern California regional manager for Prudential. He formerly was associate general manager of the western home office mortgage loan and real estate investment department.

Mr. Hansen has been with Prudential 24 years. He began as regional appraiser at Newark in 1929, and was advanced to manager at Cincinnati in 1937. A year later he was made manager at Seattle and in 1949 was transferred to the western home office. He is a navy veteran.

## Security Mutual, N. Y., Names Kohn, Wilcox and Gennett

Robert S. Kohn has been appointed assistant to the president of Security Mutual Life of Binghamton. The company also has named T. Robert Wilcox manager of the group department and William R. Gennett secretary of the agency department.

## Gives Advice on Dealing with Off Color Practices in Ariz.

The C.P.A. concern which was employed by the Arizona senate committee that is investigating questionable practices on the part of Arizona benefit concerns, submitted a report at a meeting of the committee. The firm is L. N. Treadaway & Associates.

One recommendation is that expense accounts be examined to see whether all remuneration to officers and promoters is included in the amount shown as paid to such in the annual financial statement. Also that the practices of individual insurers be examined to see if stock and dividend provisions that are contained in the policy contract are being fulfilled. Again, that hospitals be interrogated to see what difficulties, if any, they are meeting in getting payment on claims. Then again, that well equipped persons be employed to make recommendations on insurance practices that have been found to be most desirable socially and economically and that any

code revision should require that all policies be clear and concise, and exemptions or modifications be held to a minimum.

The committee which is headed by William Kimball has set Oct. 12 as a date for a public hearing on any complaints. The committee voted to ask the senate to appropriate another \$25,000 to finance continuation of the investigation. In the meantime, Robert Williams of Seattle is proceeding with the draft of a proposed new insurance code and it is expected that hearings on various parts of this will get under way in November.

## Ryker to New Ind. Insurer

Robert M. Ryker has been appointed executive vice-president of State Security Life, a new company in Anderson, Ind. He has been Minneapolis general agent for Bankers Life of Nebraska. State Security is headed by John M. Love, president.

• Amicable Life agents from 10 company districts attended a basic class in life salesmanship, conducted by Hollis L. Manly, Jr., supervisor of training.

# LIFE WITH PROVIDENT

## THE SCHOOL THAT NEVER ENDS

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## EDITORIAL COMMENT

### Mortality Table for Bond Issues

Mortality tables based on human life have long been taken for granted as vitally important adjuncts to the life insurance business but now there is a new kind of mortality table of almost comparable importance. It is the just-issued report on the corporate bond research project of the National Bureau of Economic Research. A large share of the cost of this was borne by the life companies and they are to be congratulated on having the foresight to see the value of making this program a reality and the resolution to back it with the necessary financing.

The study has already found practical application in the new investment valuation program of the National Assn. of Insurance Commissioners designed to make amortization applicable to a wider range of bonds than would have previously been eligible. The corporate bond study supplied the statistics on which to determine how much of a reserve should be kept against the possibility that bonds will go sour. In fact, without these figures it might well have been difficult or impossible to convince the commissioners that the proposed reserve basis was adequate.

Back of the corporate bond project is an outlay of more than a million dol-

lars, including the original WPA grant of \$500,000 that got it rolling in the depression days. The life companies have put up some \$102,000 of the remainder.

It was fortunate that additional support over and above the government's contribution was forthcoming or else a tremendous amount of basic research would have continued to remain unanalyzed and useless on the punch cards where it had been recorded by the WPA staff working on the project.

Work on the program was necessarily suspended during the war. After the war, the comptroller of the currency was much interested in getting the project going again but there was no money for it. It was suggested that the National Bureau of Economic Research take it over. The bureau got in touch with the life companies and various other interested groups, which decided that the project was of ample interest to warrant the necessary financing. That, plus free service from International Business Machines Corp., made it possible for the worthwhile project to be carried on.

The report on corporate bonds is the first of three reports. The others are a study of urban real estate finance and a study of agricultural finance.

### SEC Call-Privilege Stand Harms Everybody

The securities and exchange commission's arbitrary and unreasonable opposition to life company investors' wishes to include non-callable provisions in public utility bond issues they buy is indefensible on either economic or social grounds.

The recent non-callable 4½% 20-year issue of the Arkansas Louisiana Gas Co., which the SEC OK'd grudgingly after the company found the call privilege would run the rate up over 5%, should be a warning to the SEC that it is monkeying with the economic buzz-saw when it attempts to say that non-callability is wrong and should not be countenanced unless the alternative is an interest rate so high as to make the call privilege a prohibitively expensive luxury even in the SEC's opinion. The non-call provision, incidentally, applies to the Arkansas issue only the first 10 years and only then if refunding at a lower rate is sought. The corporation can pay off the loan any time at all, if it has the money in the till.

The public utility holding companies act makes the SEC responsible for pro-

hibiting "lack of economies in the raising of capital." Obviously, if the call privilege could be included at no increase in interest rate, it would be a "lack of economy" for a utility not to ask for it. The fact is, however, that in dealing with life companies, which are the big source of utility financing, there is a distinct and important difference in the rate for non-callable money and callable money.

It is important to a life company as an investor that it be assured of the expected income on the investment it is making. It has good reason for not wanting to have to reinvest the money at a lower rate any time the borrower sees a chance to do enough better to warrant paying the trifling two or three point call penalty. It doesn't take much of a drop in the interest rate level to justify refunding.

In effect, the life companies lending money on a bond issue say to the borrower with whom they are negotiating, "This is the rate if you want the call privilege but we'll give it to you for this much less if you'll agree to make it non-callable."

It is up to the lenders on the one hand and the borrowers on the other to determine how much of a differential in the interest rate the call privilege is worth. If the borrower thinks rates will be lower during the loan's term it may be a wise move for him to insist on the call privilege, even though it means paying a higher rate on the loan currently being negotiated. The life companies must appraise future interest trends and also the importance of their own desire not to find their choice investments being refunded at lower rates in case of downturn in rates. Assuming all parties to the negotiations are equally shrewd and equally skilled at reading the tea-leaves, the interest differential between a callable and a non-callable loan should be the precise measure of the value of the call privilege to the borrower—and the value of its absence to the lender.

That being so, it seems inexcusable for the SEC to take the position that a non-callable provision, in and of itself, constitutes a "lack of economy" in the raising of capital. From an economic standpoint, there is no more sense to the SEC's stand than there would be to an insurance department ukase that no life company could buy a bond issue that didn't exclude the call privilege.

As a matter of common sense, it would seem more logical that the terms of a loan be made binding for the life of the loan and that the right to pay it off before maturity should be regarded as the exception. Yet a borrower would doubtless feel outraged if asked to accept a loan on which the lender could boost the rate or cancel if interest rates rose to the point where the existing loan became a poor bargain. Nevertheless, that would be only the converse of the call privilege that the SEC seems

to consider the sacred right of public utility borrowers.

The worst aspect of the SEC's insistence on the call privilege is that it will be harmful to both borrower and lender, except of course for situations like that of Arkansas Louisiana Gas Co., in which the penalty for including the call privilege is such a high interest rate that even the SEC can see that it is too high a price to pay. In countless other cases the SEC's attitude, if unchanged, will mean that utility companies will have to pay a rate for the call privilege that is out of line with its real value. The utility company will be unhappy at this extra cost, knowing it has paid too dearly for the call privilege. Customers will be irked at the extra cost reflected in their bills. Life companies will be needlessly inconvenienced, for even though the interest differential theoretically compensates them for not being able to count on keeping the loan despite lowered interest levels, they'd still prefer to have a bond at a lower rate that wouldn't be subject to call for refinancing.

From a social point of view, the SEC might bear in mind that even if its stand against non-callability extracted some slight advantage for public utility customers, it would be at the expense of life insurance policyholders, who by and large are the same people that buy from the utilities.

In any event, when the economic law of demand and supply is working as it is supposed to, it would seem the part of wisdom for the SEC to let it work, rather than to take an arbitrary stand that the call privilege is of such inestimable value to a borrower as to be worth an interest boost far out of line with what the borrower or anybody else but the SEC thinks it is worth.

## PERSONAL SIDE OF THE BUSINESS

Claris Adams, president of Ohio State Life, addressed the kick-off dinner meeting for the large-firms division of the St. Louis Community Chest. Powell B. McHaney, president of General American Life, presided.

Henry Marshall, vice-president of the S. S. Wolfson agency of Berkshire Life, has accepted the chairmanship of the life insurance division of the Federation of Jewish Philanthropies of New York City.

Vic Hanson, Equitable Society at Syracuse, a former athletic star, has been named by the Helms Athletic Foundation of Los Angeles as the greatest all-time amateur athlete in New York state. Mr. Hanson is well-remembered for his brilliant football and basketball career at Syracuse Uni-

versity, where he won all-American honors. Also an outstanding baseball player, he formerly was head football coach at the university.

Dr. H. W. Dingman, vice-president of Continental Assurance, and Mrs. Dingman are on the final phases of a round the world trip. Their final visits were in Formosa and Japan.

Walter M. Jones, the new insurance commissioner of Utah, had been manager of B.M.A. at Salt Lake City from 1925 until he reached retirement age last year. Since then he has remained active with B.M.A. in a supervisory capacity. At one time or another he has headed nearly every life insurance organization in Utah and was a member of the committee of life insurance men

### THE NATIONAL UNDERWRITER

—LIFE INSURANCE EDITION  
PUBLICATION OFFICE:  
175 W. Jackson Blvd., Chicago 4, Ill.  
CIRCULATION OFFICE:  
420 E. Fourth St., Cincinnati 2, Ohio

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that helped draft the Utah insurance code in 1947. He is chairman of the cancer fund drive in Salt Lake county. He graduated and served a two-year mission in England for the L.D.S. church. He has been a guide at the Salt Lake Temple for the past seven years.

**Edward A. Robie**, whose appointment to the newly created post of personnel director of Equitable Society was reported last week, had varied experience before entering the insurance business. He was employee service supervisor for Sperry Gyroscope, labor relations assistant for the Chesapeake & Ohio Railway, and assistant to U. S. Senator Smith of New Jersey. He was a navy combat flyer during the war.

**E. W. Wohlgenuth**, secretary of Rough Notes Co., Indianapolis, is the father of a boy, born Sept. 11 at Coleman hospital. The baby has been named Edward Warren, Jr.

**Francis J. Budinger**, Franklin Life regional sales director for the Chicago area, is celebrating his 30th year with the company. He was given a testimonial banquet on Sept. 24 by his Chicago associates honoring his three decades of service.

**Theo. P. Beasley**, president of Republic National Life, has been elected one of 15 U. S. members of the world's committee of Young Men's Christian Assn. Mr. Beasley is president and a director of Dallas metropolitan board of Y.M.C.A.

**William Ahrens**, assistant personnel director of Northwestern Mutual Life, has been reappointed by Gov. Kohler as a member of the Wisconsin board of personnel for a term ending July 1, 1959.

**J. Wythe Walker**, executive vice-president of Union Life of Little Rock, has been elected a director of Peoples National Bank of that city and has been appointed as a member of the bank's executive committee. He is the

third generation of Walkers in Union Life. His father, Elmo Walker, is president of Union Life and, incidentally, is a director of Union National Bank of Little Rock. His grandfather, the late Jacob Wythe Walker, was formerly chairman of Union Life.

**Morris M. Sapovits**, Equitable Society at Philadelphia, was honored at a meeting at Washington, D. C., for his work as township commissioner. He is president of Pennsylvania Assn. of Township Commissioners, and in this role presented a plaque to President Eisenhower at the Washington meeting.

**J. G. Driscoll**, vice-president of General American Life, has been elected to the board of trustees of Title Ins. Co. of St. Louis.

As president of the National Federation of Business and Professional Women's Clubs, **Miss Helen Irwin**, registrar and supervisor at the home office of Equitable Life of Iowa, is busy with preparations for national business women's week, Oct. 11-17. Miss Irwin has received a letter of greetings from President Eisenhower in which he especially commended the federation's program to rouse "dormant votes."

**Eugene P. Fay**, former chief assistant insurance commissioner of California, has been appointed as judge of the Los Angeles county superior court. He has been a Los Angeles municipal judge.

**Robert L. Bergstresser** has resigned as actuary of United States Life to go to Manila as business manager and mathematics teacher at the Grace Christian High School, a Baptist missionary school. Mr. Bergstresser became interested in missionary work in Manila about two years ago when he spent six months there for U. S. Life. He joined the company in 1946 after 13 years with Metropolitan Life and became actuary in 1947.

**Henry C. Kranz**, assistant manager of Equitable Society's group department, is celebrating his 40th anniversary with the company. Still a star salesman, he has just assisted C. I. T. Financial Corp. in working out a complete hospital-surgical plan, including major medical expense with a \$10,000 maximum, for its 8,000 employees and dependents. Outside of service in

the two world wars and a four-year period as superintendent of an agency, he has continued to specialize in group protection. It is estimated that if the current group coverages in force originated by him were totalled, they would exceed \$1 billion in volume.

## DEATHS

**EARL FULLER**, 63, eastern division manager of the A. & H. department of Hoosier Casualty, collapsed at his office at Philadelphia and died. Mr. Fuller, whose home was at Harrisburg, had been with the company 16 years, having started in as a field representative. His son, Allison Fuller, is assistant manager.

**HAROLD L. QUIGLEY**, 66, died at Maynard hospital in Seattle. In more recent years active in the fire and casualty field, he was with Northern Life for 38 years and was one of its leading producers. Mr. Quigley at one time held the post of secretary and chairman of Washington Quarter Million Dollar Round Table. At the time of his death he was a local agent at Seattle.



H. L. Quigley

**DR. FRED L. WELLS**, 85, medical director for both Iowa State Traveling (CONTINUED ON PAGE 32)

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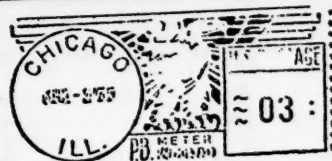
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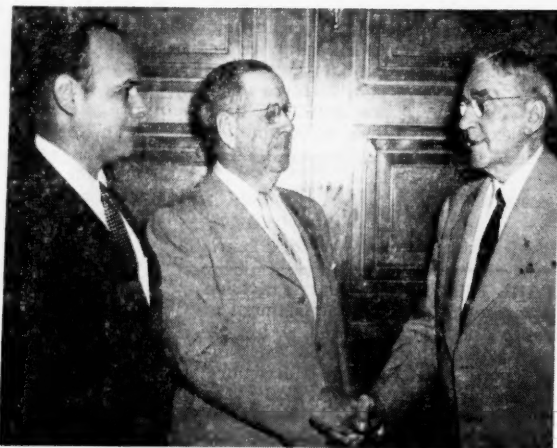
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J. C. Lehr, president of the Maccabees, (center) is exchanging congratulations with Peter Wiggle (right) of that society while C. Robert Young, Maccabees' Texas manager, looks on. Mr. Lehr was attending his first N.F.C. meeting as head of the Maccabees, which this year is celebrating its 75th anniversary, and Mr. Wiggle completed his term as president of the Secretaries Section.



Trio attending N.F.C. Dallas sessions: John Tolverson, Equitable Reserve Assn.; R. L. Blodgett, National Mutual Benefit of Madison, Wis., and John C. Faulkner, Royal Neighbors.



Fraternal Field Managers' officers at Dallas N. F. C. rally: R. H. Platt, Modern Woodmen, secretary; Louis E. Probst, Independent Order of Foresters, president; Harold C. Hoel, Lutheran Brotherhood, outgoing president, and Richard E. Henne, Gleaner Life, vice-president.



Elmer L. Wilson, Baptist Life, New Gales, Ariz., seated with Joseph Spencer, president of Protected Home Circle, during lull at N.F.C. convention.



Two Catholic Knights of Wisconsin home office representatives at Dallas: Frank Kravit and Gerald Smith.



Fraternal Actuarial Assn. leaders at their Dallas gathering: Thomas F. Hahran, Unity L. & A., council member; Miss Mary Cusic, Royal Neighbors, secretary; Daniel D. Macken, Woodmen of the World, Omaha, president; Harmon R. Taylor, Cedar Rapids, Ia., consulting actuary, treasurer; Robert E. Morris, Maccabees, past president, and Franklin C. Stauffer, Modern Woodmen, vice-president.



Representing New England Order of Protection at Dallas were Myron Savage, supreme secretary-treasurer; Jane M. Schmuck, supreme warden, and Joseph H. McCrystal, supreme vice-warden.



Miss Bessie Kubanis, Royal League, shown at the Dallas N.F.C. meet, flanked by Victor Zarembo, Aid Assn. for Lutherans, left, and Elmer Anderson, Scandinavian American Fraternity, outgoing president of the State Congresses Section.

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# Elect L. A. Knight President of N. F. C.

## Presidents A&H Discussion Takes Limelight at Dallas

**Caution is Watchword of Pro & Con Panel on Writing Disability**

The Presidents Section of the N.F.C. found itself in the limelight at the Dallas fraternal gathering. Its program dealt with one of the most timely and pressing decisions facing fraternalists today—whether or not they should begin writing A. & H. coverages.

Panel discussion indicated there are staunch advocates on each side of the fence, and, except for providing considerable food for thought, the only apparent unanimity arising from the program was agreement that those societies contemplating A. & H. lines should step gingerly.

Succeeding Agnes E. Koob, Woman's Benefit Assn., who moderated the panel discussion, as head of the Presidents Section is Alan Brown, Woodmen of the World, Denver. Other officers are Stephan M. Tkatch, Greek Catholic Union, 1st vice-president; LeRoy G. Stohlman, Aid Association for Lutherans, 2nd vice-president, and Mrs. Frances Torkelson, Royal Neighbors, secretary-treasurer.

Preceding audience participation, the experience of several societies already writing A. & H. was given by these panel members: L. J. Bayley, Unity L. & A.; A. W. Franklin, Order of United Commercial Travelers; Mrs. Clara B. Cassidy, Supreme Forest Woodmen Circle; Robert E. Morris, Maccabees, and Louis E. Probst, Independent Order of Foresters.

Mrs. Cassidy explained that when her society made its A. & H. entry a five-year reinsurance arrangement was made with another insurer experienced in the field. Working closely with this company, the society's officers at the end of the five years had gained considerable A. & H. know-how. The original reinsurance agreement was not renewed and the society established its own A. & H. department, writing three types of policies: A. & H., hospital, and accident only.

Woodmen Circle now has been writing the coverage for 10 years, and its present average claim cost is less than 50%, Mrs. Cassidy related. A. & H. has helped the society, she said, particularly through serving as a door opener and commission booster for agents. Some 15% of the A. & H. policies written are in combination with new life insurance applications.

Mr. Probst contended fraternalists face unique problems when it comes to writing A. & H. His organization began making available a small, weekly sick benefit and modified prepaid medical and hospital plan in 1911. While this plan was successful, times then were different and the plan was small, with local members policing its expenditures. One hospital, one surgeon and a panel of doctors were used, the latter being paid a monthly salary.

"If we are to write cancellable A. & H., how can we possibly induct members through an initiation embracing

**Leaders in Field Size up Prospects for Fraternalists**

The stage was set by three well-informed A. & H. men for what turned out to be the most spirited discussion topic of the Dallas N.F.C. meeting.

Preceding a Presidents Section panel discussion on the pros and cons of fraternalists entering A. & H., many of the pitfalls and advantages of such a move were spelled out by Travis T. Wallace, president of Great American Reserve, 1st vice-president of H. & A. Underwriters Conference; R. L. McMillon, Business Men's Assurance, Abilene, Tex., vice-president of Texas Assn. of A. & H. Underwriters, and James R. Williams, director of public relations of H. & A. Underwriters Conference.

Considering some of the dangers, Mr. Wallace, a 31-year veteran in the A. & H. field, cautioned that in early years the cost of adding A. & H. business may be above that for life insurance, varying according to a society's size and to how quickly it wants to get into the field. Most societies, he said, should be able to get along with only one additional home office man to administer an A. & H. program. Regular life underwriters and claims men, after reasonable training should be able to handle A. & H. efficiently. Actually, the speaker indicated it's better to have the A. & H. department integrated with life instead of a separate unit.

The experience of the several large life companies that recently have entered A. & H. gives strong proof that it can be produced by a life agency force, Mr. Wallace pointed out. It merely is a case of educating the field force. Before making the step, the society should have decided it's going in all the way and also be sure that top management is sold on the idea. Otherwise, it will be difficult to sell the agency force on the value of A. & H. to the

public, and, through anti-selection and other factors, a poorer grade of business could develop.

The new salesman will prove the most suited to A. & H., according to Mr. Wallace. It will serve as a prospect-getter for him, as well as an avenue of immediate income. To prevent discouragement, it is well, the speaker said, to allow credit for A. & H. in production campaigns.

The new A. & H. writer, Mr. Wallace warned, should be wary of non-cancellable policies. In the last 20 years, he said practically all major loss has been in this category and in the major medical covers written by life companies. Rates were too low, and not enough weight was given the moral hazard, an important consideration in non-can business. While the situation is improved, still the new A. & H. writer should be cautious.

The effect of inflation has made the group hospital field dangerous ground, Mr. Wallace noted. Even though there have been significant rate increases, costs continue to rise and the new A. & H. society should be careful. Individual A. & H., because of its coinsurance nature, has not brought such severe losses and presents a more appropriate

(CONTINUED ON PAGE 27)

## Secretaries' Helm Goes to J. G. Pope

New president of the Secretaries Section, elected at the Dallas N.F.C. convention, is J. Gordon Pope, Equitable Reserve. He succeeds Peter Wiggle, Maccabees.

Dorothy Needham, Woman's Benefit Assn., is vice-president, and Josephine Wieg, Women's Catholic Order of Foresters, secretary.

In addition to Mr. Wiggle, the executive committee consists of William Hayward, Gleaners Life, and James V. Krakora, Czechoslovak Society.

Following reports of committees and officers, there was an informal discussion on three topics of particular current interest. These were collection of rates by local lodges, the new insurance department form to be used for annual reports, and the question of employee benefits. The group met jointly with the Fraternal Actuarial Assn. to discuss the new statement blank.

## Succeeds Deming at Dallas Convention; Agnes Koob Is V.-P.

**Second Meet West of Mississippi Draws Well; Atlantic City for 1954**

BY CHARLES C. CLARKE

Nestled in one of the deepest life insurance atmospheres in the country, the National Fraternal Congress last week held its annual convention at Dallas, electing Lendon A. Knight, general attorney of Royal Neighbors, president succeeding Ernest R. Deming, Sr., president of Unity Life & Accident.

Atlantic City was chosen as the site for the 1954 annual, to be held in September.

Agnes E. Koob, president of Woman's Benefit Assn., was named vice-president, and Foster F. Farrell continues as secretary-treasurer-manager.

Newly named to the executive committee were LeRoy Stohlman, Aid Association for Lutherans; Louis Probst, Independent Order of Foresters; James Krakora, Czechoslovak Society, and Carl Biebers, Sons of Hermann.

Continuing executive committeemen are Mr. Deming, ex-officio as immediate past president; George H. Crowns, Catholic Order of Foresters, and John N. Harris, Praetorians.

Dallas, home of some 70 life insurers, several of which are ensconced in magnificent new buildings in the downtown section within view of the convention hotel, served to emphasize the insurance aspect of the meeting. The gathering was only the second annual rally to be held west of the Mississippi and attendance was good. There were about 600 persons at the sessions.

The new president, for more than 20 years prominent in fraternal activities, graduated from Oklahoma University law school in 1926 and then for two years engaged in private practice. Mr. Knight for many years served on the N.F.C. law committee and also is a past president of the Law Section. He has been general attorney for Royal Neighbors, the society he joined in 1928, since 1934. He also is a member of the insurance committee of the U. S. Chamber of Commerce, a director of Insurance Federation of Illinois, and a past president of Illinois Fraternal Congress.

The first general session Wednesday was preceded by two days devoted to meetings of the four associations and six sections affiliated with N.F.C. Details of these meetings are reported elsewhere in this issue.

An invocation by Rev. Herbert R. Howard, pastor of Park Cities Baptist Church, opened the first general session, after which greetings were extended by Mayor R. L. Thornton of Dallas; Georges Constantine, Societe des Artisans, president of Canadian Fraternal Assn.; Mrs. Thelma B. Smith, Woman's Benefit Assn., president of Texas Fraternal Congress, and Mrs. Hazel Daudelin, Royal Neighbors and Praetorians, president of Dallas Fra-

(CONTINUED ON PAGE 26)



Officers and executive committee of N.F.C., elected at Dallas: Seated, Alex O. Benz, chairman Aid Association for Lutherans, installing officer; Lendon A. Knight, Royal Neighbors, president; Agnes E. Koob, Woman's Benefit Assn., vice-president, and Ernest R. Deming, Sr., Unity L. & A., the outgoing president; standing, George H. Crowns, Catholic Order of Foresters; Louis Probst, Independent Order of Foresters; LeRoy Stohlman, Aid Association for Lutherans; James Krakora, Czechoslovak Society, all executive committeemen, and Foster F. Farrell, N.F.C. secretary-treasurer-manager.

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## Agent Stimulation Is Topic of Field Managers; Elect L. E. Probst President

With the emphasis put on better sales stimulation and package selling, fraternal field activities were dissected during the Fraternal Field Managers Assn. program that made up part of the National Fraternal Congress Dallas convention.

Louis E. Probst, Independent Order of Foresters, was elected president to succeed Harold C. Hoel, Lutheran Brotherhood. Richard E. Henne, Gleaner Life, is vice-president, and Robert H. Platt, Modern Woodmen, continues as secretary-treasurer. Besides the officers, the executive committee consists of John N. Cochran, Woodmen of the World, Omaha; Mrs. Nellie Sexton, Royal Neighbors; Louis Baer, Baptist Ministers Life, and Mr. Hoel.

The field managers heard talks by Mr. Platt, J. Richard Sims, Woodmen of the World, Omaha; Herbert Johnson, Lutheran Brotherhood; J. Allen Porterfield, Equitable Reserve, and R. George Ransford, president of Gleaner Life.

After the invocation spoken by Joseph Spencer, president of Protected Home Circle, the discussion stage was set by Mr. Hoel who noted that the field representative who is "sold" on his society and can combine with that training and enthusiasm is headed for success. All that is left then, he continued, is to call on enough people and show them their life insurance need.

Mr. Platt prefaced his talk by saying he knows of no single sales stimulation activity that will enlist the maximum effort of all field representatives. Some field men are motivated by the desire for greater earnings, some are sparked by competition and desire for acclamation, while others are more effectively moved by material prizes, such as reward trips.

The last, the speaker noted, has been used with considerable success by his company. In the last seven years, six such trips have been awarded and, in contradiction to the objection that such rewards are too expensive, the costs have ranged, on a per man basis, from \$150 to \$374.

Injecting a warning, Mr. Platt sug-

gested that the qualification basis for such trips include a premium income requirement along with the volume requirement. Besides obvious advantages such as increased volume for the society and more commission for the field man, Mr. Platt said reward trips serve to introduce distant field men, enabling them to benefit from exchange of sales ideas, build morale and put the home office and field personnel on more familiar footing.

Prizes in general as sales stimulators were considered by Mr. Sims. To sustain interest among all field men, he advised establishing prizes for various classes of producers. Otherwise, he said, the same men will consistently win, the result being that the purpose of the campaign will be lost for the majority. He recommended the field force be separated into at least three divisions, according to past production.

Adding members is just as much a purpose of such campaigns as is increasing insurance volume, Mr. Sims pointed out. Consequently, he said he favors designating a certain number of cases, instead of merely volume, in setting up qualifying standards.

Another way prizes can be used effectively, according to Mr. Sims, is to make them available to a field man who in turn can conduct his own campaign among centers of influence, awarding prizes to those who furnish him with the most sales.

Even though the importance of insurance programming has been generally accepted, Mr. Johnson observed that everyone recognizes there always will be a place for the package sale. Actually, he said, most insurance programs begin with a package sale and grow on package sales. Each complete program is nothing more than a series of packages arranged to satisfy the specific needs of the prospect.

Mr. Johnson described how a sales tool his company makes available can be used as an aid to a package sale. The aid, among other things, pictorially shows six basic needs most men have for insurance and is designed to

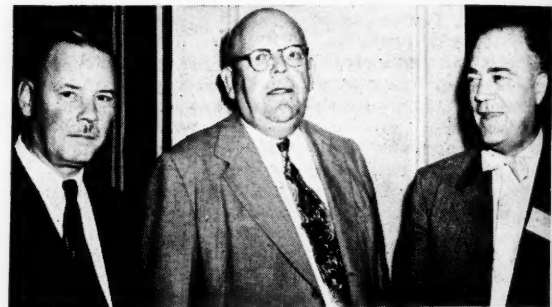


Coloman Revay, Verhovay Fraternal of Pennsylvania, Frank E. Gerry, consulting actuary at Springfield, Conn., and Stephen L. Segedy, executive secretary of American Life of Bridgeport, Conn., shown at N.F.C. convention.



A group of Supreme Forest Woodmen Circle leaders shown in front of that society's contribution to a sales promotional exhibit that was a highlight of the N.F.C. meet at Dallas. From left, Frances Ferguson, Los Angeles, and Hazel D. Godlove, Houston, national directors; Mrs. Clara B. Cassidy, national president and Blanche Eakin, national treasurer, Omaha; and May Beaver, national director, Indianapolis.

E. F. Engelbert, national director of Aid Assn. for Lutherans, Baltimore, is flanked by two presidents at Dallas meet of N.F.C.: Left is Carl F. Granrud, Lutheran Brotherhood; right, L. G. Stohlman, Aid Assn. for Lutherans.



show graphically the prospect's insurance program. Limiting his approach to selling an interview instead of a policy, the speaker said he convinces the prospect he is offering merely a service, that of evaluating social security benefits, present insurance and other assets, in accordance with

the prospect's needs.

At the interview, Mr. Johnson establishes what the needs are for insurance, such as last expense, monthly income, readjustment, emergency, mortgage cancellation, education and retirement, getting the prospect's agreement on these because it does not appear a personal commitment is sought.

Once this agreement is obtained, Mr. Johnson commented, it's a simple transition to getting the prospect to list what he feels would be the minimum requirements for his family and himself, in accordance with the already recognized needs. If the prospect balks, he merely must be reminded the purpose of the interview only is to see if his present social security and insurance benefits fill his needs, something he is best able to decide. Then, when the prospect sets down his needs, nearly always more than the benefits he owns, the stage is set for a package sale to fill the void.

Not many persons, however, buy on strength of logic only, Mr. Johnson said. The next step is to arouse the prospect emotionally—by intensifying his family responsibilities, giving contrasting examples, emphasizing the difference between benefits and cost, or use of life insurance in action. Such a sales procedure, using the total needs approach presented together with a package sale, leaves the prospect with a greater appreciation for the insurance he has, and a better understanding of the insurance he still needs, Mr. Johnson concluded.

**Modern Woodmen  
of America**  
**FOR 70 YEARS A  
COMMUNITY SERVANT**



For the past 70 years, Modern Woodmen of America has been a faithful servant in communities throughout the nation. Our 70th year was marked by a 25 per cent increase in new business and continuous gains in financial strength.

- More than \$778,000,000 has been paid in benefits.
- Our record of prompt payment is unsurpassed.
- Assets exceed \$175,000,000 in a strong investment portfolio.
- More than 25 plans of insurance are issued . . . covering the needs of every member of the family from birth to age 60.
- Modern Woodmen gives THE POLIO-PROTECTION PLUS—extra protection at no extra cost.

**MODERN WOODMEN OF AMERICA**

(Est. 1883)

HOME OFFICE - - - - ROCK ISLAND, ILLINOIS



## Mrs. Dart Takes Reins of Press Unit Succeeding James

Mrs. Lorraine Dart, Ladies Catholic Benevolent Assn., moved up to president of the Press Section during its sessions at the Dallas N.F.C. meet. She succeeds Rex James, Praetorians.

Louise Patrick, Woodmen Circle, is vice-president, and Bessie Kubanis, Royal League, secretary-treasurer. Making up the executive committee are Stephen Valcik, Slavonic Benevolent Order of Texas; Gretchen Pracht, Lutheran Brotherhood; D. A. Talucci, Maccabees; Sara Ann Allen, Woman's Benefit Assn., and Mr. James.

The section's program, under Mr. James' aegis, got started with a breakfast meeting at which was displayed the exhibit of various promotional material used by societies. Greetings were extended by E. R. Deming, Sr., Unity L. & A., president of N.F.C., and Texas Senator John Rogers of Austin.

Mr. Deming exhorted the editors to "let the public know what fraternalism is, emphasizing not its growth but the fraternalistic idea which serves as the foundation. He looked on the monthly society magazine as a "very important document", one that can be of inestimable value in welding a society together.

An advertising and publicity program appropriate for fraternalism was described by William S. Henson, president of W. S. Henson, Inc., Dallas publishing house. Advocating simplicity, Mr. Henson suggested that fraternalism pattern their advertising after the "grocery ad formula" under which the product is identified, its use explained, and the cost given.

Just as the grocer in his ad puts pictures of products and in lucid terms tells how good they are, it also is possible to diagram or illustrate insurance

benefits with the need for which a person desires it to serve, Mr. Henson noted. To be effective, he continued, an ad must attract attention, arouse interest, move judgment and impel action. In action, he said, the ad must point out the advantage of a plan, then show how it will fit a particular need, with examples cited of how it has served others similarly situated.

Turning to advertising publicity, Mr. Henson said it can be divided into three classes: General, which includes newspaper advertising and publicity; special, embracing materials tailored to the needs of the individual, such as

a premium notice enclosure or visualization of a program, and house organ, which deals primarily with the society's own organization and agency force.

Because the newspaper is the mass medium, and insurance is something everybody should buy, Mr. Henson recommended this medium receive first consideration for getting the society's message to a community. He warned against dealing in abstract preachments in newspaper ads, preferring, instead, concrete cases that can be simply stated, carrying with them a feeling of "neighborliness".

The house organ was considered by Mr. Henson to be one of the most important activities of a society, one that, besides broadcasting news, policies, programs, etc., also can be a constant source of information and inspiration to the field worker. The ideal house organ, he said, should be cordial, friendly, informative and yet simple. It should be as interesting to the reader as any popular magazine, and should not be a means for exploiting the boss, but should deal primarily with the news of what the people in the company, especially field workers, are doing, how they are doing it, etc.

# THIS OFFER CAN BE YOUR FUTURE—

## A Life Career!

### Take This Forward Step Today!

Lutheran Brotherhood must expand its field of operation offering a complete life insurance service to all Lutherans in your home state. If you are interested in a "top flight" future as our representative in your local area, write today for Lutheran Brotherhood's "Life Career" offer.

*As a representative of Lutheran Brotherhood you will find a ready approach and an exclusive entree to all Lutheran people. This is Their Life Insurance Society. And in your work, you will find your society standing right beside you all the way in your life career. Check the offer we can make you! ... Decide Now! Write to the Superintendent of Agencies:*

**This Is YOUR Life Insurance Society**

# LUTHERAN BROTHERHOOD

**Legal Reserve Life Insurance**

608 Second Avenue South

Minneapolis 2, Minn.



Dr. J. E. Boland (right), Catholic Order of Foresters, past president of the Medical Section, pictured with Dr. W. H. Scoins, medical director of Lincoln National Life, one of the speakers for the section's Dallas program.



J. Allen Porterfield, Equitable Reserve, and R. George Ransford, president of Gleaner Life, both speakers on the Fraternal Field Managers Assn. program at Dallas.

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Farrar Newberry, president of Woodmen of the World, Omaha, right, shown at the N.F.C. Dallas convention with W. A. Tidwell, Texas manager for W.O.W.

### Three Texas Fraternals Stage Barbecue Party

The reputation for Texas hospitality was upheld at the N.F.C. meeting in Dallas. More than 600 persons attending the sessions were guests at a barbecue party sponsored on the grounds of the Praetorian Club House by the Praetorians, Sons of Hermann and Slavonic Benevolent Order.

Buses from the hotel were provided, and because the club house is situated away from the business district, convention goers were able to get a better view of Dallas. Entertainment included a Mexican band.

### REPLACES MORRIS

## Leadership of Actuaries Unit Goes to Macken

Daniel D. Macken, Woodmen of the World, Omaha, was elected president of Fraternal Actuarial Assn. at its meeting during the Dallas N.F.C. convention. He succeeds Robert E. Morris, Maccabees.

Other officers are: Vice-president, Franklin C. Stauffer, Modern Woodmen; secretary, Miss Mary M. Cusic, Royal Neighbors; treasurer, Harmon R. Taylor, consulting actuary, Cedar Rapids, Ia.; editor, Robert H. Taylor, consulting actuary, Cedar Rapids, and librarian, Frank H. Lee, Woman's Benefit Assn.

Council members are Richard E. Henne, Gleaner Life; Samuel Eckler, consulting actuary, Toronto; John Gall, Aid Association for Lutherans, and Thomas F. Hanrahan, Unity Life & Accident.

The new fraternal annual statement blank was the principal topic of discussion. In the morning Frank E. Gerry, consulting actuary and president of Miles M. Dawson & Son, Sprindale, Conn., read a paper on "Logical Steps in the Preparation of the New Fraternal Annual Statement Blank." The Secretaries' Section met with the actuarial association in the



Dr. J. Edward Hunsinger, vice-president and associate medical director of Republic National Life, a speaker at the Medical Section's meeting at Dallas, shown with that group's new president, Dr. Jane W. McMullen, Royal Neighbors.

afternoon for a panel discussion of the new fraternal statement blank, led by Walter Rugland, actuary and 2nd vice-president of Aid Association for Lutherans, who is chairman of the N.F.C. committee on revision of blanks.

Ingolf Lee, assistant actuary Lutheran Brotherhood, presented a paper on "Some Applications for the Electronic Calculator." Citing the experiences of his own society, Mr. Lee pointed out how the 604 electronic calculating punch had been used for the preparation of a rate book, various dividend calculations, mortgage loan accounting, new policy issues and valuation.

Papers presented at the meeting of the association last June were discussed as follows: The paper of William M. Huggins, actuary of Huggins & Co., Philadelphia, entitled "How Old Is a Man's Wife," was discussed by Mr. Henne and Harmon R. Taylor.

A paper on "Health & Accident Insurance," by David F. Hobart, actuary Ministers Life & Casualty Union, was discussed by E. D. Brown, Jr., actuary, Chicago, and Robert E. Bruce, consulting actuary, Chicago.

A paper, "Attained Age Valuation Method for Extended and Paid-Up Insurance," by Harley N. Bruce, consulting actuary, Chicago, was discussed by Messrs. Macken, Stauffer and Robert H. Taylor.

A paper, "The New Annual Statement," by Mr. Rugland was discussed by Mr. Brown, Mr. Macken and F. J. Gadiant, Modern Woodmen.

### Promotional Exhibit Displayed at Sessions

The exhibit of the various types of material used by societies to help field men promote membership and insurance sales attracted considerable attention during the N.F.C. Dallas meeting. Gotten together by the press section, the exhibit was displayed at various sessions, including the meeting of the Field Managers Assn. where it received close scrutiny.

Comprising the exhibit was promotional material of Women's Catholic Foresters, Woodmen of the World of Omaha, Maccabees, Sons of Hermann, Aid Association for Lutherans, Supreme Forest Woodmen Circle, Praetorians, Women's Benefit Association, Western Bohemian Fraternal Assn., Lutheran Brotherhood, Ladies Catholic Benevolent Assn., Modern Woodmen, Royal Neighbors and Slavonic Benevolent Order.

### SUCCEEDS LUNDGREN

## Investment Men Choose Zuehlke as President

Fraternal Investment Assn. at its meeting during the N. F. C. Dallas convention elected William H. Zuehlke, Jr., Aid Association for Lutherans, president to succeed Howard M. Lundgren, Woodmen of the World, Omaha.

Other officers are Fred M. Wolfe, Woman's Benefit Assn., vice-president, Leon H. Tolverson, Equitable Reserve Assn., secretary, and Joseph Sudimack, Greek Catholic Union, treasurer.

Comprising the executive committee are Harlan Eicher, Maccabees; Clyde Wilmeth, Junior Order of United American Mechanics; Albert Horstman, Catholic Order of Foresters, and Mr. Lundgren.

A talk by Charles Broderick, Lehman Brothers, New York City, was sandwiched in between a panel discussion of fraternal investment problems and a report on the association's seminar staged last May at Excelsior Springs, Mo.

The panel considered particularly investment committee functions, diversification of portfolio and sources of investment information. As to the first topic, it was the general consensus that while the investment committee should establish policy and appraise individual investments, the details for executing the overall investment program should be left exclusively to the investment officer.

Consideration of portfolio diversification elicited wide and lively comment. Besides diversification according to geographic location, by industries and by companies within industries, diversifying through securities maturity was presented as worthy of close attention. Pointing this up, it was said, is today's situation where interest rates are being liberalized. One observation on this point indicated maturity diversification is not of prime importance since various fields show varying yields from year to year. On the other hand, it was said that because life insurance investments generally are not of a short term nature, changing economic conditions should be considered. If only to provide reason for reexamining investment policy, short term securities have a place in insurance, it was stated.

The possibility was advanced that small fraternal investments in public offerings are penalized when the bonds are called before maturity for a small premium. It was pointed out that most private placements with life companies carry a 10-year recall limit.

There was general agreement that it isn't necessary for life companies to have more than a small percentage of assets in highly marketable securities. Premium income, it was explained, is sufficient each year to satisfy cash demands.

Discussion of sources of investment information centered around statistical services, investment counsellors, investment analysts, private placements, and field investigation. The best practice, it was agreed, is always to supplement information furnished, either through personal investigation, or, where investment is done on a wide basis, with facts from other sources being dealt with often.

## NOW \$50 MILLION PLUS!

National President Clara B. Cassidy announced on July 1, assets have NOW topped fifty million dollars.

Greater financial strength than ever before backs up our complete protection of Life insurance, Hospitalization, Health and Accident for women and girls.

**Supreme Forest  
WOODMEN CIRCLE**  
Omaha, Nebraska

## AMERICAN LIFE INSURANCE ASSOCIATION

BRIDGEPORT, CONNECTICUT

LEGAL RESERVE FRATERNAL BENEFIT SOCIETY  
"SERVING AMERICAN FAMILIES SINCE 1894"

Modern Life, Accident, Hospitalization policies from Age 0 to 60.

Excellent and profitable opportunities are available in several states.



## Dr. Jane McMullen New President of Medical Section

Elected as Medical Section president at its meeting during the N.F.C. gathering at Dallas was Dr. Jane W. McMullen, Royal Neighbors. Dr. McMullen replaces Dr. John E. Boland, Catholic Order of Foresters. Dr. Roger Henning, Aid Assn. for Lutherans, as 1st vice-president; Dr. Earl Ross, Brotherhood of Railroad Trainmen, 2nd vice-president and Dr. Hubert R. John, Maccabees, secretary-treasurer, round out the officers' list.

The medical men heard talks by Dr. W. H. Scoins, medical director of Lincoln National Life, on "Juvenile Insurance"; Dr. Perry C. Talkington, Southwestern Medical School of the University of Texas, "Neuroses and Psychoses", and Dr. J. Edward Hunsinger, vice-president and associate medical director of Republic National Life, "Underwriting Diabetics."

Dr. Boland, in his opening remarks, deplored what he termed a "liberalism that has become the byword in home office underwriting". He wondered whether medical directors are "following blindly along the lines of least resistance", or really endeavoring to underwrite business scientifically.

The heavy smoker, Dr. Boland predicted, may soon find himself assessed a higher life insurance rate, just as the excessive drinker is today. The increase in lung cancer mortality parallels the enormous increase in cigarette consumption, Dr. Boland commented. From 1938 to 1948, he pointed out, lung cancer deaths increased 144%.

Within relatively recent years juvenile insurance has gained a marked momentum, and experience is proving that with sound underwriting the early fears were entirely unwarranted, Dr. Scoins observed.

The main objective of juvenile insurance, according to the speaker, should be as a manifestation of the accepted parental obligation to care and provide for children, the death benefits being only a secondary purpose. Neither the underwriting nor

agency department, he said, should over-emphasize the selling of juvenile insurance and disregard the responsibility of seeing that the "bread-winner" is adequately insured.

"Our greatest service can be rendered by selling additional protection to the father, whose death will leave the family in a much more serious financial difficulty than will the death of the child," Dr. Scoins declared. With skillful planning, he went on, the agent can accomplish the same purposes with insurance on the father as he can with juvenile insurance, thereby putting the insurance where it is needed most.

In dealing with juvenile insurance, Dr. Scoins advised giving consideration to the following: Does it fill a legitimate need? In amounts up to \$2,500, juvenile policies are defensible as indemnity insurance. What value has it as an agency builder? The industrial insurer may find it a detriment to production of ordinary as it offers to the agency expert in juvenile production an opportunity to meet ordinary quotas with juvenile.

While juvenile underwriting is taking on a definite pattern, Dr. Scoins cautioned that the underwriter must be alert to characteristics which may indicate speculation. Favorably influencing cases which may appear questionable is the payor's choosing to include payor benefits. The choice of only one of several children for insurance always is a danger flag unless the insured is the eldest child or eldest male child. In view of very favorable mortality and persistency, the speaker said "it does not seem out of line to be somewhat more elastic in our thinking and less rigid in our underwriting to encourage a larger average policy." Small policy amounts result in a heavy expense per \$1,000 of insurance, he stated.

Dr. Hunsinger's address was reported in last week's issue.

### Mrs. Willard Is Absent

One of the most consistent attenders of N.F.C. sessions was unable to be at the Dallas meeting even though it was held in her home state. Mrs. Jeanie Willard, Woodmen Circle, was unable to leave her home at Denison owing to illness in the family. She served as N.F.C. president in 1948-49.



Press Section officers elected at Dallas: Seated, Bessie Kubanis, Royal League, secretary-treasurer; Mrs. Lorraine Dart, Ladies Catholic Benevolent Assn., president; Louise Patrick, Woodmen Circle, vice-president; standing, Stephen Valcik, Slavonic Benevolent Order of Texas; Gretchen Pracht, Lutheran Brotherhood; D. A. Talucci, Maccabees; Sara Ann Allen, Woman's Benefit Assn., and Rex James, Praetorians, all on the executive committee.

## Youth Counsellors Breakfast Brings Out Overflow Attendance

There was an overflow attendance at the Fraternal Youth Counsellors Assn. breakfast, held at the Dallas N.F.C. meeting. Even after setting up additional tables all could not be accommodated and some had to view the proceedings, conducted by Mrs. Ulma Moss, Woodmen of the World, Denver, president, from the doorway.

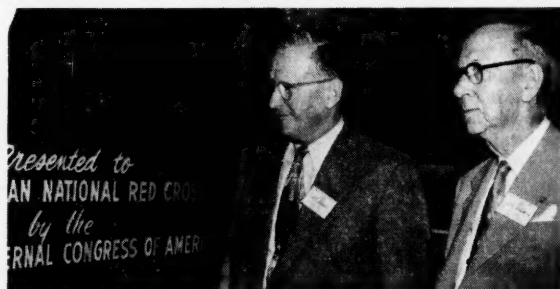
Mrs. Moss introduced the several presidents who were on hand after greetings were extended by E. R. Deming, Sr., Unity L. & A., N.F.C. presi-

dent.

Speaker was H. Grady Spruce, director of the McGhee Foundation and Community Guidance Service of Dallas. Because fraternalists are the type of persons who realize the problems of youth, he suggested they initiate and support aid to youth at the community level. Education of parents is equally deserving of attention, he said, pointing out that many youth problems arise because fathers and mothers do not try to understand their children.

Mrs. Moss announced that the youth section's principal meeting will be held May 14 at Chicago, in connection with the gathering there of Fraternal Field Managers Assn.

Standing in front of the bloodmobile presented to the Red Cross by N. F. C. are Frank Mallett, Protected Home Circle, and Norton J. Williams, president of Equitable Reserve Assn.



H. H. Witt, North American Union Life of Chicago, shown with two past presidents of the Fraternal Field Managers Assn. at the group's Dallas gathering. Center, W. Cable Jackson, Modern Woodmen, Minneapolis, and right, Herbert Benz, vice-president in charge of agencies, Aid Association for Lutherans.

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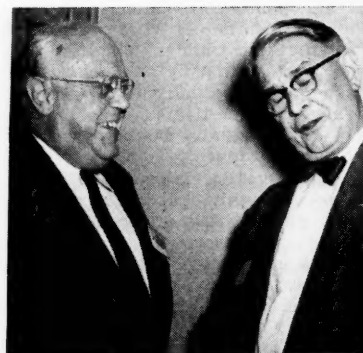
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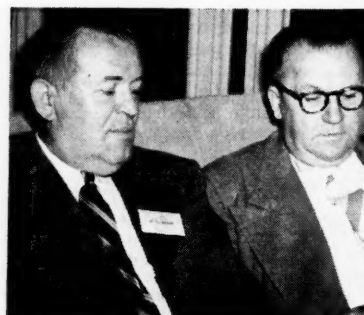
**R. G. HUNGATE, President**

S. E. GRIMES, Treasurer

R. B. McCAIN, Secretary



Two N.F.C. committee chairmen discuss problems at Dallas: L. J. Bayley, Unity L. & A., public relations, and J. G. Daly, United Commercial Travelers, distributions.



Among those on hand at Dallas for Greek Catholic Union were John Medar and John P. Lois.

Responsible for the Fraternal Youth Counsellors program at Dallas were, seated, Louise Patrick, Woodmen Circle, vice-president; Mrs. Ulma Moss, Woodmen of the World, Denver, president; standing, Mrs. Edna Duggan, national president of Degree of Honor Protective Assn., immediate past president of the youth counsellors' group; E. Willis Lamoreau, Junior Order of United American Mechanics, secretary, and Mrs. Anna M. Cooley, Royal Neighbors, treasurer.



Law Section stalwarts at Dallas: N. F. C. rally. George H. McDermott, 1st, Modern Woodmen; Ira McNeal, Protected Home Circle, the retiring president; and Thomas Mason, Women's Catholic Order of Foresters, vice-president.

In a familiar pose is H. L. Rosenblum, Woodmen of the World, Omaha, for 12 years either chairman or a member of the N.F.C. convention publicity committee. Observing him is E. R. Deming, Jr., assistant secretary of Unity L. & A., son of the outgoing president of N.F.C.

Mr. operated of insurance relations with the agreement upon the tingence to the said it establish "Cert to class the bas Connor doubts fication nation o insurance commer to und should regulati prizes e To il Texas in pothesize persons against sease. T sued by assessme change are ident ceive ben disabled.

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## Lee Heads Lawyers; Speaker Ponders Tex. Insurer Classification

The reins of the Law Section were taken over at that group's muster during the Dallas convention of N.F.C. by Frank Lee, Woman's Benefit Assn., who succeeded Ira B. McNeal, Protected Home Circle, as president.

The new vice-president is Thomas Mason, Women's Catholic Order of Foresters, and George H. McDonald, Modern Woodmen, continues as secretary-treasurer.

Paul Connor, attorney for the Texas insurance department, discussed department-insurer relations; John H. Harris, Jr., reviewed fraternal insurance contracts and the power of the agent in excess of his actual authority, and Ralph E. Scott, Dallas National Bank, gave the trust officer's view of life insurance.

Mr. Connor said that Texas law operates differently according to type of insurer. Where the insurer-insured relationship is simply one of contract, with the former for a consideration agreeing to pay the latter an amount upon the happening of a named contingency, and the contacts are offered to the public generally, the speaker said it is difficult to find a basis for establishing separate classifications.

"Certainly it would not be proper to classify insurance organizations on the basis of mere nomenclature," Mr. Connor remarked. "I entertain serious doubts as to the propriety of a classification based on the internal organization of the insurer. If a particular insurance business is conducted as a commercial enterprise, I am at a loss to understand the reasons why it should not be subjected to the same regulations as other commercial enterprises engaged in the same business."

To illustrate the segmentation of Texas insurance law, Mr. Connor hypothesized an example involving five persons who have insured themselves against disability from accident or disease. The example policies were issued by a stock life company, a mutual assessment, a Lloyds, a reciprocal exchange and a fraternal. All policies are identical in that insured will receive benefits of \$100 per month while disabled.

Under Texas laws, however, the rights and obligations of the five insured are not identical, Mr. Connor said. Financial requirements for the insurers vary, as do methods for service of process. Some will be subjected to statutory penalties for failure to pay claims promptly; others will not. Some insured have firm contractual rights which cannot be varied without their consent, while others must look to the reasonable rules of their insurer to ascertain their exact rights and obligations. The regulatory powers of the insurance department differ among the five; for example, the statutes declare that some must be examined more frequently than others.

Mr. Connor said he was not analyzing relative merits of the various classes of insurers; merely showing that rights of insured cannot be identical since the laws which establish insurers are not identical.

Because of distinguishing characteristics, fraternal benefit societies are covered by law as to department regulation, Mr. Connor explained. Fraternals do provide insurance protection,

but the insured is more than a policyholder. He becomes eligible for insurance only after initiation to the society. Insurance, then, is incidental to the fraternal purpose of the society.

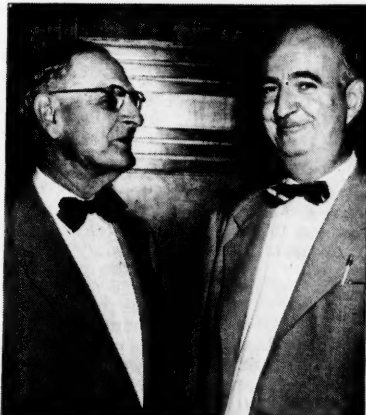
It was Mr. Harris' conclusion that fraternal, and other substantial institutions, are governed by principles which call for actions that must tend to benefit the members. This is so, he said, because members, whether called insureds or stockholders, are the foundation of the company; and, consequently, no fraternal would attempt to use its constitution in derogation of what it considered a valid claim by an insured.



Alan Brown, Woodmen of the World, Denver, new head of the Presidents Section, and Foster F. Farrell, N.F.C. secretary-manager, together at Dallas gathering.



A. W. Franklin, Order of United Commercial Travelers, and Fred A. Johnson, Royal League, between N.F.C. business sessions at Dallas.



Ernest R. Deming, Sr., Unity L. & A., outgoing president of N.F.C., pictured with the new president, Lendon A. Knight, Royal Neighbors.

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LIFE INSURANCE SOCIETY

NEWTON, KANSAS

## Knight Succeeds Deming as President of N.F.C.

(CONTINUED FROM PAGE 19)

ternal Council. George B. Butler, chairman of the Texas board of insurance commissioners, was prevented from delivering his address at the first session because of a back injury which caused his hospitalization.

Besides committee reports and those of Messrs. Deming and Farrell, the remainder of the day's agenda included talks by Rev. W. Harrison Baker, district superintendent for the Methodist church; Bascom Thomas, chairman of Dallas Bar Assn., and Arthur A. Smith, vice-president of First National Bank of Dallas.

Mr. Deming, in his presidential report, declared that his acquaintance with the operation of fraternal societies "leads me to the firm conclusion that we are 'hiding our candle under a bushel'—and for that phrase I am quoting no less an authority than one of the deputy superintendents of insurance of New York, who, in a recent address, strongly urged fraternal societies to exhibit their wares to the public and take advantage of our increasing size and financial stability."

To meet this observation, Mr. Deming said fraternalism is gradually adopting the plan of practically all insuring organizations—increased training for field representatives. In these days of inflated incomes, he went on, fraternal field methods must be brought into line with the times and the need of all members for larger and more up-to-date insurance coverage must be met. He urged that every field representative be skillfully educated in the latest methods of selling insurance in much larger amounts than now prevail in the average certificates of fraternal societies.

Calling attention to the blood campaign carried out through N.F.C. auspices, and also the bloodmobile project, Mr. Deming noted that fraternalism received a vast amount of beneficial publicity through these programs. He called for N.F.C. to make similar humanitarian projects an annual objective.

Mr. Farrell in his report as secretary-treasurer-manager gave the results of a questionnaire sent to N.F.C. members to determine to what extent they are writing accident and health coverages. Ninety societies, representing a 90% return, completed the questionnaire.

Only nine of these write accident only, under policies which offer benefits from \$30 to \$50. Six commented that their experience with A.&H. was "good", two answered "fair", and one did not comment. In the health field, Mr. Farrell said six societies reported



Buford Hurt, Woodmen of the World, Omaha, Murray, Ky., new 2nd vice-president of the State Congresses Section, and Richard W. Johnson, Macca-bees, Detroit, the new president, shown at Dallas.

they issued certificates with benefits of from \$3.50 to \$70 per week, with six reporting "good" experience, two "fair", and, again, one not commenting. Of the 19 societies writing a combined A.&H. policy, 10 had "good" experience, eight "fair", and one "poor". Sixteen members reported writing hospital, surgical and medical expense certificates, and the results for five were "good", for 11 "fair".

Further, Mr. Farrell said the questionnaires revealed that one member has made definite plans to offer an A.&H. contract in the future, two are undecided as to entering the field and one, already issuing an A.&H. certificate, is considering adding a hospital, surgical and medical expense plan but wants more information as to experience. One society reported writing a rider on juvenile certificates only which covers certain broken bones and polio, and four write double indemnity only and have no plans for writing A.&H. Another has accident only as a rider on life contracts and has had good experience with it.

"From the foregoing," Mr. Farrell remarked, "you will observe that not many societies have entered A.&H. and hospital and medical expense fields, and there is a vast difference of experience obtained among them. Time may alter circumstances, but as of now few societies have indicated an intention of entering this field."

Looking to the future, Mr. Farrell said fraternal societies face the prospect of premium tax bills, based largely on "a lack of knowledge of our sys-

tem and the fraternal and benevolent activities in which we engage."

Some of the bills, Mr. Farrell stated, are "introduced by commercial company representatives in the field who are members of the legislature or have some friend in the legislature whom they persuade to introduce such a bill." However, he said he has never discovered "that any company has had previous knowledge or even sanctioned such action by their representatives".

Bills which seek to license fraternal representatives, and in some cases make it obligatory to pass a license examination, are in the offing, Mr. Farrell predicted. He indicated this was not in keeping with the foundation of fraternal insurance under which men or women bring their friends or relatives into a society, procuring for them the financial benefits offered.

"I have heard it said it would be better to submit to taxation and secure all the rights and privileges presently enjoyed by the commercial company," Mr. Farrell commented. "This is fallacious thinking. The lodge system and fraternal aspects have been the foundation on which the entire structure has been built. A premium tax would take those funds which now support the lodge and make available all the various benevolences. I am against any tax which is placed on thrift, whether it be a tax on life insurance premiums or a monies and credit tax on any funds which I may be able to save and deposit in a bank."

"With the fact that insurance departments must be maintained, I thoroughly agree, but premium taxes far transcend any such expenditures for the purposes of supervision and result in a high collection of taxes to the states. In fact, it is a rare insurance department which receives enough revenue to carry out properly its supervision. To my mind, every fraternal society should strenuously fight any measure which seeks to tax the contributions of its members."

The banquet Wednesday evening was addressed by Clayton Rand, editor of the Dixie Press at Gulfport, Miss., and featured entertainment provided by Dallas Fraternal Council.

Committee reports continued into Thursday's session, at which the guest speakers were Ben H. Wooten, president of First National Bank in Dallas, and Boyce House, a professional speaker.

New officers were installed by Alex O. Benz, chairman of Aid Assn. for Lutherans, a past president of N.F.C. The ceremony was made especially impressive because of the honor guard escort made up of members of Royal Neighbors.

## Field Managers Past Presidents May Band

There may be an organization within an organization that already is within an organization if a motion made at the N.F.C. Dallas meeting is realized.

A suggestion was made that the Fraternal Field Managers Assn. president appoint a three-man committee to study the advisability of establishing a past-presidents' group. Under the proposal, the past leaders would hold their own pow-wow at the time of the regular meetings of the field managers. The committee is to make its recommendation at the next managers' gathering.

Approved by the field managers was a motion that it inaugurate a bronze plaque on which will be inscribed the names of all past presidents, as well as those who enter that category in the future. The plaque will be displayed at all meetings of the managers.



Harold A. Reise, consulting actuary at Chicago, and E. A. Horton, vice-president of Knights of Pythias, in a huddle at Dallas rally of N.F.C.

## Presidents A. & H. Panel Highlights N.F.C. Meeting

(CONTINUED FROM PAGE 19)

considerable emotion, and then cancel the policy when it becomes a poor risk?" Mr. Probst queried. He also wondered if it is "fraternal" to sell A. & H., then cancel when the risk increases and yet allow the life insurance to continue.

Settlement of a life claim is "nice and clean", Mr. Probst said, noting that no matter how earnest a representative is in presenting an A. & H. program, there is bound to be misunderstandings in settling claims. While the society may be acting appropriately, the member who is a dissatisfied A. & H. claimant will spread his tale to other members, quite likely engendering ill will. The fraternal is a closely knit organization, meeting, usually, at least once a month. Consequently, refused claimants have considerable opportunity to carry their imaginary ills to other members who are their associates and who may attach credence to their complaints.

Premising his discussion with the statement fraternalism has a duty to provide all possible services to members, Mr. Franklin said his organization has been an exclusive writer of accident only since 1888 and, in the last 20 years, has increased its membership from 67,000 to 198,000 and its reserves from \$500,000 to \$7½ million. He opined that fraternalism should offer A. & H., at least on an optional basis and even if it shows no profit. Their purpose is to serve members, and the writing of A. & H. could fill a decided need. There are many types of policies available that are conservative, and fraternalism should give serious consideration to offering these, he declared.

Mr. Bayley said he isn't convinced life and A. & H. are compatible. His company now is beginning to cancel risks at age 65, he said, and is running

## Great Strides in the Past Point to a Still Greater Future

Fraternalism has made its greatest strides in the past 40 years since the National Fraternal Congress of America and Associated Fraternities were united to represent it.

These great strides in service to our fellow men are, however, but a challenge. They point the way to our opportunities for still greater service.

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into many headaches. Policyholders who now aren't good risks, but who haven't had claim experience, think they are being treated unfairly. Agreeing that fraternalists must offer every possible service, Mr. Bayley said this doesn't necessarily mean the writing of A. & H. Fraternalists don't write fire and casualty coverages, something members need just as much as A. & H. He also referred to the ill will arising against a society from individual lodge members where an associate's claim has been denied.

While the abundance of current national A. & H. advertising makes it a propitious time to enter A. & H., Mr. Morris expressed the belief that certain inherent features of the fraternal system present salient obstacles to a smooth working A. & H. program. Foremost, he said, is the fraternal collection system which, because of its localized nature, would be especially troublesome in administering A. & H. Further, he opined a special type of field worker is needed and pointed to the danger of losing members when it is necessary to cancel a policy.

Expressing surprise at the "defeatist attitude of some," one commenter from the floor said it is as much a fraternal duty to provide benefits during the life of a member as it is to provide benefits at death. His society has been writing the coverage with success, he said, and hasn't found declination of claims to be disastrous. Members don't want premium dollars dispensed unjustifiably, he remarked. They realize difficult cases will arise, but they have enough faith in their society to know the claimant will receive equitable treatment of a type that also will be in the best interest of other members. The fraternal with a proper foundation will not have to worry about the utterances of a few disgruntled claimants, he said.

Another person related that his society had offered A. & H. for several years but finally discontinued it even though experience was not too bad. In buying life insurance, the member knew one day the policy amount would be paid. On the other hand, after paying A. & H. premiums for years, with no claims, and then having the coverage cancelled at age 65, the member felt cheated. This was found to outweigh the benefits of the program, he commented, so it was dropped.

Another example of the expectance of a return was voiced by a different member. His society instituted a donative sick benefit for all members, and after its cost got too high, attached certain minimum requirements. Later when the sick donations were refused to some, ill will arose and memberships were dropped. And this occurred even though the benefit payments were nothing but a donation.

Also referred to was the possibility that those who are trying to pass leg-

islation making fraternalists subject to premium taxes would use the writing of A. & H. as ammunition.

Further discussion could be resolved into the following admonition: The fraternal that enters A. & H. should learn all there is to know about the coverage, put out the best possible policy and charge an adequate premium for it.

## A. & H. Leaders Size Up Prospects for Fraternalists

(CONTINUED FROM PAGE 19)

field for the new writer. On income insurance the profit now is unusually high, making it a good cover to begin with. Still, because of the wide fluctuation in losses, rates should not be cut too much. A modest profit under today's ideal circumstances, where assured is financially better off to get back to work as soon as possible, could indicate disaster with the coming of a recession.

Another pitfall mentioned by Mr. Wallace is the tendency of a new A. & H. writer to offer broader policies at rates below those of competition. Any deviation by the new writer, the speaker opined, should be upward since initial cost of doing business is higher. If not, the new company may find itself becoming increasingly unliberal in handling claims, thereby jeopardizing its life business through loss of good will. The society with adequate rates can pay claims liberally and avoid this danger.

Several reasons why all life companies should write A. & H. were espoused by Mr. Wallace. Plus meeting a social need, the coverage helps field men to boost life sales by being able to offer a more complete personal insurance program. He cited statistics of Life Insurance Agency Management Assn. showing that companies that write both life and A. & H. insurance now are growing at a rate three times that of life-only insurers. Often field pressure alone is reason enough. It furnishes agents with a good door opener and accompanying greater commission. Besides, many agents are already selling A. & H., placing it with other companies, and where financing is involved, the non-A. & H. company is, in effect, partly financing agents for competitors.

Predicting that in the next few years all life companies will be writing A. & H., Mr. Wallace asked, "Why not begin now?"

The selling slant was given by Mr. McMillon, his contention being that A. & H. is easier to sell since it fills a prospect's desire for self-preservation. As an ideal door opener, he said it enables an agent to sell "horizontally," and paves the way for later "depth" selling. He described an early A. & H. sale of his that ultimately led to a sizable life insurance volume. The agent, making his contact through the



Shown at Dallas N. F. C. meeting: Luke E. Hart, who recently was made supreme knight of Knights of Columbus and who is a past president of N.F.C.; William E. Mooney, Woodmen of the World, Omaha, and Russell Matthias, Chicago attorney who represents Lutheran Brotherhood.

A. & H. sale, is able to determine which clients are prospects for "depth" selling. To accomplish this, however, the agent must continually improve his insurance knowledge so that he can offer the service necessary on larger, more complicated selling.

A. & H. sales have introduced Mr. McMillon to so many clients that he no longer worries about prospecting. Instead, he now is dispensing with clients who aren't capable of "depth" selling.

For these reasons, and because A. & H. has much better persistency than life, he recommended that fraternalists begin offering the coverage.

Mr. Williams recounted that A. & H., measured both from premium growth and number of persons covered, has shown remarkable increases in the last decade. Premium income of \$286 million in 1940 jumped 339% in 10 years, and at the end of 1952 stood at \$1,919,858,838. Including Blue Cross-Blue Shield premiums would raise this figure beyond the \$2,859,854,-

819 mark.

From an industry standpoint, loss ratios have been steadily rising for some years, Mr. Williams stated, adding that current figures show a ratio of nearly 73%. Individual A. & H. loss ratio, however, stands at 48.3%. In comparing loss ratios, Mr. Williams reminded his hearers that differentiation must be made between group selling, which he termed "wholesale", and individual, which would be "retail". A recent survey of seven leading A. & H. writers shows that the loss ratio has increased from 79.9% in 1949 to 88% in 1951, though at the same time greater efficiency in group plans resulted in a drop in acquisition expense from 7.1% to 5.3%.

One of the significant developments of the last few years, he said, has been the marked increase of life companies entering or considering entering A. & H. Many of them are the larger companies, such as Prudential, Equitable Society, New York Life, Mutual Life and Guardian Life.

## Pertinent Statistics



JANUARY 1, 1953

Insurance In Force	Over \$669,000,000
Assets	Over \$158,000,000
Benefits Paid Since Organization	Over \$ 69,000,000
Certificates In Force	Over 449,000

## Aid Association for Lutherans

Legal Reserve Fraternal Life Insurance

Home Office: Appleton, Wisconsin



Law Section speakers at Dallas: Paul Connor, Texas insurance department; Ralph Scott, Dallas National Bank, and John H. Harris, Jr., Praetorians.



Carl Biebers (right), Sons of Hermann, a past president of the State Congresses Section, with Theo. P. Beasley, president of Republic National Life, who addressed the congresses' luncheon at Dallas.



R. Gordon Pope, Equitable Reserve Assn., new president of the Secretaries Section, is pictured with Mrs. Clella Pope who accompanied her husband to Dallas for the N.F.C. parley.

## Johnson Congresses Section Chief; Hear Talk by Beasley

The agenda of the State Congresses Section at the Dallas N.F.C. meeting featured a luncheon address by Theo. P. Beasley, president of Republic National Life.

The new section president is Richard W. Johnson, Maccabees, Detroit, who succeeds Elmer Anderson, Scandinavian American Fraternity, Duluth. Other officers are Gerald Brown, Protected Home Circle, Canton, O., 1st vice-president; Buford Hurt, Woodmen of the World, Omaha, Murray, Ky., 2nd vice-president; and Jody Hoffle, Modern Woodmen, Brooklyn, secretary.

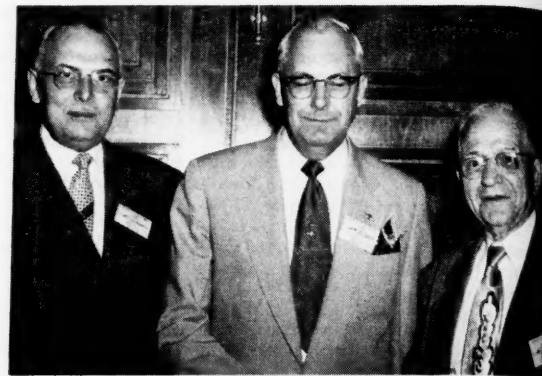
Named to the executive committee were Blanch Eakin, Woodmen Circle, Omaha; Elmer F. Semrow, Aid Assn. for Lutherans, Appleton; James Motley, Praetorians, Dallas; Nora E. Danford, Royal Neighbors, Rock Island; Arthur J. Barrett, Jr., Woodmen of the World, Denver, and Mr. Anderson.

Mr. Beasley pictured N.F.C. as being the incentive and stabilizing force of fraternal societies. Under its influence, the fraternal movement has realized considerable growth of a sound nature, he said, adding that the history of fraternalism parallels that of America.

A knowing evaluation of the world political and economic situation was given by Mr. Beasley, who expressed concern over the many threats to the American way of life that now exist, even though the country is enjoying its greatest degree of prosperity. The American public has been depending too long and too much on a benevolent and paternalistic government, he said—"one that has promised all things to all people".

Life insurance companies and fraternalists, since they concern themselves with the financial welfare of the people, realize the folly of such practices, Mr. Beasley declared. They know the

George W. Baumann, Maccabees, a 41-year fraternal field veteran, giving some pointers to two Aid Assn. for Lutherans representatives: Elmer F. Semrow, Detroit, and Alvin E. Grimm, Los Angeles.



New officers of the Presidents Section, elected at Dallas, are Frances L. Torkleson, Royal Neighbors, secretary; Agnes E. Koob, Woman's Benefit Assn., retiring president; L. R. Stohlman, Aid Assn. for Lutherans, 2nd vice-president, and Stephen M. Tkatch, Greek Catholic Union, 1st vice-president. The new president, Alan Brown, Woodmen of the World, Denver, is not shown.

danger of inflation, and the fact the high cost of government discourages individual thrift. Because of their responsibility, insurers must lead the way to constructive thinking by insisting that men in high government positions respect the principles of economic well being necessary to the free enterprise system.

## Display Bloodmobile, Letter from Eisenhower at Dallas

A bloodmobile, similar to the eight given to the Red Cross this year by N.F.C., was on display in front of the convention hotel during the Dallas meeting. Besides the bloodmobile campaign, which drew contributions of more than \$40,000 from 108 fraternalists, N.F.C. last year sponsored a blood donor drive that received several commendations from the American Red Cross, as well as a congratulatory letter from President Eisenhower.

A photostat of the President's letter, addressed to Rex James, Praetorians, chairman of the convention publicity committee, was displayed at the meeting. It recognized the N.F.C. program as "a noteworthy contribution to American health and welfare."



Charming Texas hostesses: Mrs. Thelma B. Smith, Woman's Benefit Assn., president of Texas Fraternal Congress, and Mrs. Hazel Daudelin, Royal Neighbors and Praetorians, president of Dallas Fraternal Council.



**D**URING the past year, we of The Maccabees have reflected on the 75 years which have elapsed since the founding of our society. Our vision, however, has not been directed entirely on the past. In fact, the greatest emphasis has been placed on plans for the future.

Positive steps have been taken to assure continued growth for our society, increased service to our members and solid support for our representatives.

During this anniversary year we have introduced a new technique in insurance selling featuring "packaged programs." We offer insurance plans designed to fit primary needs and "package" them with effective sales aids and sound prospecting systems. These new methods have met with marked success during our Anniversary Sales Campaign just concluded.

We look to the future confident that we will continue to keep pace with the growth of America.



**THE MACCABEES**  
DETROIT, MICHIGAN



## ALC Speakers, Program Set for Annual Gathering

(CONTINUED FROM PAGE 1)

be followed by an address on "Importance of Company Officers Understanding Field Force Problems" by Howard Holderness, president of Jefferson Standard Life. Also, "The Dwindling Percent," Herbert M. Cady, Philadelphia manager of Connecticut General Life; and "Activating the Average Agent, or Tools vs. Texts," Ben F. Hadley, vice-president and superintendent of agents, Columbus Mutual Life.

The afternoon session opens with a business meeting and election of officers and actions on reports and resolutions, etc., followed by "The Brighter Side," Richard E. Pille, vice-president in charge of agencies, Mutual Benefit Life; and "Air Defense of the United States," Gen. Benjamin F. Chidlaw, air defense commander at Colorado Springs air force base.

Friday morning, Victor B. Gerard, treasurer of Commonwealth Life, chairman of the convention financial section, will open the section's session and will be followed by O. Kelley Anderson, president of New England Mutual Life, speaking on "The Life Company Investment Officer—His Obligations in the Nation's Economy," and Ehney A. Camp, Jr., vice-president and treasurer of Liberty National Life, "Mortgages—What of the Next 20 Years?" Concluding the morning get-together will be "Free Enterprise—A Two-Way Street" by William F. Edwards, dean, college of commerce, Brigham Young University.

There will be a luncheon for members of the financial section and all others attending the convention who wish to attend. Guest speaker is to be Prescott Bush, U. S. senator from Connecticut, on "The Congressional Outlook." "Sound Money and Debt Management" by W. Randolph Burgess, deputy to the secretary of the U. S. Treasury, will open the afternoon session. Following this, there will be a talk on "Handling a Deteriorating Industrial Situation" by W. N. Mitchell, partner A. T. Kearney & Co., Chicago management consultants.

The combination companies section, whose chairman is W. J. Hamrick, agency vice-president of Gulf Life, will hold its usual dinner meeting and will hear "Little Things Count" by Dr. Frank Goodwin, professor of marketing, college of business administration, University of Florida. A brief business session at which new officers are to be elected will follow.

## Postal Life Has New Riders, Changes Issuance Limits

NEW YORK—Postal Life has announced new 25 and 30-year family income riders, an increase in the issuance ages for shorter term family income riders and a reduction in the minimum policy for mortgage plans.

The new 25-year family income rider can be written for ages 25-45, the 30-year rider for ages 20-40, giving an expiry age to 70. Postal's other family income riders can now be written at older ages, the 10-year for ages 56-60, the 15-year for ages 51-55, 20-year for ages 46-50.

The family income rider will now be accepted on a basic policy of less than \$2,000 if the basic policy and the rider's initial commuted value are at least \$5,000. The basic policy must be at least \$1,000 and the monthly income can not exceed 2% of the basic policy.

If a mortgage policy runs for 17 years or longer, the new minimum is

\$5,000 of the initial commuted value. If it runs for 16 years or less, the minimum remains the same, \$30 monthly income.

Both the family income and mortgage plans are issued to 175% substandard.

## ASSOCIATIONS

### Persons Milwaukee Speaker; Discusses Mythical "Mike"

Henry W. Persons, Chicago manager of Mutual Life, discussed the requirements of a successful agent with the use of his mythical "Mike Underwriters" at the opening fall luncheon meeting of Milwaukee Assn. of Life Underwriters.

Plans were announced for the L.U.T.C. educational course this fall. Paul von Paumgarten, Old Line Life, will teach part I at the Old Line home office at weekly sessions starting Oct. 28. Part II instructor will be F. Aubrey Comey, National Life of Vermont, with sessions starting Oct. 30 at the Northwestern Mutual Life home office.

On Nov. 16 the association is sponsoring a one day sales school. The University of Wisconsin will conduct two life insurance courses at the extension school in Milwaukee. Life office management part III will be taught Thursdays by Alfred Korbel, Central Life of Iowa, and C.L.U. part B, Fridays by M. R. Else, Wisconsin State College.

### Chicago LUTC Classes Ready

Chicago Assn. of Life Underwriters, beginning the week of Oct. 19, is presenting 11 L.U.T.C. classes this season. The Life Agency Supervisors Club of Chicago played a major role in securing meeting places and instructors. In addition to the area committee, especially active in the formation of the class schedule and setup were Otis F. Shadel and Bruno J. Pinkos of Prudential. Carl E. Lindstrom of Travelers is the chairman. Roy D. Simon of Penn Mutual Life is president of the Chicago association.

Port Huron, Mich.—Harold O. Love, counsel for the Detroit association, and member of the insurance committees of both the State Bar of Michigan and Detroit Bar Assn., spoke on "Estate Creation and Conservation."

Corpus Christi, Tex.—Citation cards were awarded those completing part of the L.U.T.C. course at a meeting addressed by David Pentecuff, manager of California-Western States Life at San Antonio.

Legansport, Ind.—The association started its fall season with a breakfast meeting at which the film "Selling America" was shown.

Binghamton, N. Y.—Part II of the L.U.T.C. course, sponsored by the association, will begin Oct. 2, continuing for 25 weeks.

Laurel, Miss.—"O'Quinn Day" was set aside by the association to honor C. L. (Senator) O'Quinn, Aetna Life, on his election as a trustee of N.A.L.U.

Miami—A talk on "Salesmanship" was given at the September meeting by Thomas B. Lite, Miami University.

Newark—Ralph G. Engelsman, formerly top producer for Penn Mutual and now life insurance consultant outlined methods of increasing production through the use of ideas at an all-day sales congress conducted by the Northern New Jersey Assn. "Ideas are worth a dime a dozen," he said, "but the man who will use them is priceless." He emphasized establishing habits that will make necessary operations smoother. A system of getting the names of two prospects from each client interviewed each day should be adopted by the agent, Mr. Engelsman said. President Kenneth MacWhinney presided at the congress.

Youngstown, O.—Dr. J. Fred Essig, assistant superintendent of schools, presented diplomas to 16 members who completed the L.U.T.C.

San Francisco—Eve Byron Wyatt, New York Life, has been appointed a director to fill a vacancy.

Madison, Wis.—Joseph P. Betker, Old Line Life, was elected president to succeed John C.

Zimdars, New England Mutual. Albert J. Bunders, Prudential, is vice-president; John W. Freeman, Penn Mutual, secretary; Clarence M. Beebe, National Guardian, treasurer, and C. W. Tomlinson, Bankers Life of Iowa national committeeman.

Eau Claire, Wis.—Plans for instructing part II of the L.U.T.C. training course were made at a meeting of the Chippewa Valley association. Lee Minton, Jr., Travelers, will instruct the class. Sy Manix, Old Line Life, has been named chairman of the northwest Wisconsin sales congress to be held in Eau Claire Nov. 6.

Buffalo—H. D. Eckerman, manager here for Retail Credit Co., spoke on life inspection reports, covering such phases as why they are needed, how they are used and how they are produced. Association President Leo Futia reviewed several events of the recent National convention at Cleveland.

Butler, Pa.—Quinter G. Colebank, manager at Pittsburgh for Prudential, will talk on "Kash for You" at the Oct. 1 meeting of this branch of the Pittsburgh association.

New Bedford, Pa.—"Let's Get Back to Fundamentals" was discussed by William G. Doherty, New York Life, and member of the Million Dollar Round Table.

Pasadena, Cal.—Jarrell W. Gunstream, New York Life, and Walter F. Schmitz, Occidental Life of California, addressed the Pasadena-San Gabriel Valley Assn. Their respective topics were: "Endowment at Age 65 Package Selling" and "Accident & Sickness Income Package Selling".

San Francisco—Sig H. Badt, Southwestern Life, suggested ways of making life insurance a substitute for income in his talk, "How Much Good is a Man Worth—Dead?" at a breakfast meeting. National quality awards and L.U.T.C. citations were presented.

Racine, Wis.—Will H. Froelich and Dale B. Potts, Occidental Life of Cal., at Milwaukee, addressed the Racine-Kenosha association.

South Bend, Ind.—M. M. Rupp, secretary of Brotherhood Mutual Life, spoke on "The Business Man Facing Tomorrow."

Pittsburgh—Stanley C. Collins, Metropolitan Life, Buffalo, secretary of National Assn. of Life Underwriters, spoke on "Enduring Success."

Los Angeles—The association has arranged for L.U.T.C. classes to start late in October. The sessions to be held in the western home office of Prudential and the John W. Yates general agency of Massachusetts Mutual.

Streator, Ill.—A panel on "Sales Ideas That Work for Me" was conducted by Frank Bettaso, Northwestern Mutual, Princeton, and Paul E. Larson, Mutual Trust Life, and Ogden Andrews, Equitable Society, both of Ottawa, at a meeting of the Illinois Valley Association. Heard also was a discussion of a class in part 2 of L.U.T.C.

### Union Life Enters 3 New States in Expansion

Union Life of Little Rock has entered Missouri, Mississippi and Louisiana, making a total of 12 states in which it is now licensed. According to President Elmo Walker, this is part of an expansion program. Union Life intends to develop its business in each of these states forthwith.

On Founders Day, which was Monday of this week, the field representatives of Union Life put in 18 hours from 6 a.m. to midnight in an effort to write at least \$500,000 of new business that day.

### Full Card For Engelsman

NEW YORK—Ralph G. Engelsman, agent of Penn Mutual, New York City, and sales consultant, has a very full schedule for the remainder of this year. He conducted a one-day sales school at Newark last week and a similar session at Cincinnati Thursday of this week. Other engagements for one-day schools at Allentown, Pa., Oct. 7; Erie, Oct. 8; Lancaster, Oct. 10; Pittsburgh, Oct. 22; Memphis, Nov. 5; Birmingham, Nov. 6; Little Rock, Nov. 7; New Orleans, Nov. 11; Houston, Nov. 12; St. Louis, Nov. 13; Milwaukee, Nov. 16; Chicago, Nov. 18; Rochester, N. Y., Nov. 19; New Haven, Dec. 17, have been made.

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LIFE INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas

## LOMA Stresses Broader Scope of Management

(CONTINUED FROM PAGE 1)

increasingly important as a result. New insight into human motivation is of vital importance, he added, saying, "this area needs further exploration by those engaged in personnel research."

Development of adequate leadership at all levels is another pressing problem today, according to Mr. Allen, as is an orientation of viewpoints of management and personnel in the light of the many changes that have come about, both inside and outside the company.

"The life insurance industry has kept pace with modern thought and practice in the personnel field," Mr. Allen said. "Without doubt, the major share of the credit for our forefront position belongs to the Life Office Management Assn. It has been an activating force of our very own which has had an influence on personnel activity parallel with the motivating forces we have already recognized."

Mr. Allen said there have been three distinct eras in the development of the personnel movement. The first, covering from about 1908 to the beginning of the first world war, was the formative period in which several feeder activities which had come into being gradually were combined into the so-called personnel movement. The second era was one of considerable development stimulated primarily by the demands of the war effort and carried through to about 1922. This period was notable for extensive utilization of new approaches that had come to the fore and their reliability in accomplishing objectives did not

seem to be as important as the idea of putting techniques to use.

The third era has been referred to, Mr. Allen said, as the coming-of-age era. Research and development along sound practical lines have been the earmarks of this period.

The growing interest in management problems is demonstrated by the increase in L.O.M.A. membership and greater participation by company executives, Managing Director Frank L. Rowland reported.

Present membership is 264 companies, more than 100 of which have applied for membership since the close of the second war. During the year over 200 representatives of 169 companies contributed to some phase of association work. The 13 standing committees of the organization, made up of 196 representatives from member companies, held 53 full committee meetings during the year, not including sub-committee meetings.

The increased interest in all phases of life office management has placed the association in the position of either having to do a more thorough and comprehensive job in this area or relinquish part of it to other life insurance associations, according to Mr. Rowland. New phases of life office administration are requiring the attention of the association. Companies are requesting assistance in developing procedures for handling A. & H. business, utilization of new machinery coming on the market, premium billing, electronics, and the numerous personnel problems occasioned by the tight labor market.

"The life insurance business affords unique opportunities for profitable research in the field of office manage-

## 8-Month, August Figures of Bankers of Iowa Rise

New business in Bankers Life of Iowa is ahead of 1932 both for the month of August and for the first eight months of the year.

Total sales for August were \$22,499,369, more than 20% over last year. Ordinary insurance accounted for \$11,494,923, an increase of more than \$1 million, and group sales amounted to \$11,004,446, compared with \$8,316,000 a year ago.

Total sales for the first eight months were \$135,239,609 and total life insurance in force stood at \$1,881,129,674 with ordinary at \$1,420,271,716 and group at \$460,857,958.

"The stability of the business permits long-range planning and the close similarity in the basic plan of operation of all companies, regardless of size, permits the benefit of research to be shared by all."

Mr. Rowland reported that this past year 5,881 students, a new high, enrolled for 10,370 examinations. Persistence of students increased, with 84.44% of the examinations completed by those enrolled. A record number of 98 associates qualified for the fellowship awards.

Maintenance of communication lines within company organizations is an important management problem today and calls for close attention to get personnel working as a team, said Philip K. Robinson, vice-president of Northwestern Mutual Life.

"Together with vast technological changes, we have had profound sociological changes affecting business," Mr. Robinson said. "Business executives have discovered that silence was not always golden and that employees wanted to know much more about the companies for which they worked than was formerly the case. If workers are fully informed and are stimulated by high morale to do good work, the lines of communication are effective."

Citing a number of the means used in his company for developing good communications, Mr. Robinson said that one important activity is committee work, with a rotation bringing many into close personal contact. Also, the company has put great reliance on supervisors for good communications, creating a sort of "Supervisors' Self-Improvement Society." Effective co-operation with the home office union is another aid in this direction. The union contract provides that every employee shall have an annual interview with his supervisor and this is a valuable opportunity for everyone to be heard. Group meetings are held, with effective use of both visual and oral communication.

Mr. Robinson emphasized that communications must be horizontal, as well as vertical, with inter-departmental activities closely watched. "The life insurance business has recognized communication for what it is," he concluded. "It's an important part of our business and to be effective it must be a part of every job and not a gadget to be used for propaganda purposes."

To maintain an ample supply of potential supervisory personnel, management should start selection at the point of hiring, said Samuel S. Board, director of recruiting and placement of Koinonia Foundation of Baltimore.

"If a conscious effort is made to include three or four potential supervisors in every 20 people hired for any specific part of the enterprise, at

least you will have some candidates available when the new supervisors must be picked," Mr. Board said. This procedure, gathering information at time of hiring, will also make the process of selection of supervisors less obvious and the choice less a matter of debate and will also tend to keep standards of selection high.

Qualities which should be considered in choosing either potential supervisors or the ones to be finally promoted, Mr. Board said, are principally these: intelligence—the ability to learn by listening or from printed material; the demonstrated ability to continue mental growth; leadership and a desire for leadership; popularity or relationship with other people; the type that other people consult and confide in; the ability to make decisions; the ability to accept criticism and profit by it; and the spirit to look for better methods, new ideas and sounder relationships.

Selection of supervisors is a continuing process that should be under way at all times, according to Mr. Board. By keeping detailed records of employees' background, watching their work, frequently interviewing them and giving subtle try-outs for supervisory activities, the ranks of potential supervisors can be made ready for any needs. An added advantage, he said, is that it enables management to eliminate the loss of high quality personnel through failure to recognize supervisory ambitions.

The question of retirement for workers is so sweeping in its consequences that careful study of all its ramifications should be made by both management and employees, said George E. Johnson, vice-president and general counsel of Teachers Insurance & Annuity and College Retirement Equities Fund.

"Realization both by the worker and by management that retirement from a job is not retirement from work or retirement from life, will go far to untangle the wide disagreement on this subject," Mr. Johnson said.

He reviewed six methods of retirement: fixed age; work qualification; worker's biologic age; tapering-off process; employee's discretion; employer's discretion; discretion of a committee.

Mr. Johnson emphasized that he is not now and never has been an exponent of a compulsory age limit but rather has been "attempting to point out that this is a complicated subject which should be studied objectively."

In discussing the other plans, the retirement fund executive said that the work qualification test is difficult to operate, no known standards being available as yet; the biologic age also has no standard of definition; tapering-off, now being tested in some plants, offers some handicaps, such as reducing income in the later years while still at work and is difficult to administer; discretionary retirement at the selection of either employee, employer or a committee, carries with it all the handicaps of a non-fixed plan, with bias being possible or at least feared.

"The question of compulsory retirement is one of the burning controversial issues of today," Mr. Johnson said. "It cannot be ignored as it affects every one, both as individuals and as administrators. So little is known about the subject and employment conditions vary so widely that anyone is a better expert with his own company plan than anyone can be whose

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knowledge is based on theory alone and a different work experience." Thanks to the pooling of the efforts of the French insurance companies, the insurance business in France is going to register striking improvements in the near future, according to Georges Tattevin, president of the Compagnie Generale d'Assurances group of Paris and leader of two missions of French insurance executives that visited the United States in 1951 and 1952.

The big thing to remember about life insurance in France is the currency problem, he said. The assets today of the largest French life company are about 10% of the value of its assets before the first world war, if true values are used. A second result of inflation is that people are distrustful about the future and shy away from life insurance.

Mr. Tattevin's companies met the inflation problem with heroic remedies.

Among the changes made were inclusion of the life business with the general insurance business; reduction of home office staff from 2,000 people to 560, at the same time that the volume of business increased 80%; establishment of liberal separation income for those whose work terminated; high degree mechanization of office operations; job study to develop efficiency in every detail; pay increases and quarterly bonus payments if scheduled progress was achieved; development of an integrated program of personnel relations, to create maximum efficiency

at all levels, from top management, individual workers.

The company personnel was called through supervisory personnel to the together in advance and the entire program was explained and approved by them. Otherwise it could not have worked. The worker participation was developed in the ensuing months through a suggestion plan carrying rewards for usable ideas. Mr. Tattevin said these suggestions were worth while, of themselves, and in addition had a great psychological value.

Warm appreciation was expressed by the French executive for what he and his fellow executives had learned in the United States on their visits here.

"It is partly what we saw in your country which helped us in starting a number of things," he said.

Application of IBM equipment to the accounting problems of the life insurance industry was demonstrated by International Business Machines Corp.

One demonstration illustrated the application of the IBM card-programmed electronic calculator to the calculation of non-forfeiture values. The IBM electronic statistical machine, which combines in one unit the functions of sorting, selecting, counting, accumulating, balancing, editing and printing, also was demonstrated and the advantages of using it in premium billing procedure explained.

The talks of President Holgar J. Johnson of the Institute of Life Insurance on public relations opportunities and responsibilities of home office personnel, and President Bruce Palmer of Mutual Benefit Life on office administration as a major management function are reported elsewhere in this issue.

## Columbian National Raises R. C. Theall and F. E. King

Columbian National Life has promoted Robert C. Theall to director of field services and Francis E. King to agency assistant. These appointments will make it possible for Frank L. Shoring, assistant manager of agencies, to expand his field duties.

Mr. Theall recently completed a year of field service training. Mr. King, formerly with John Hancock, joined Columbian National in the agency department. He will work with Mr. Theall. Mr. Shoring went with Columbian National in 1945 and in 1952 was named assistant manager of agencies. He will continue as editor of the company's field magazine, the *Columbian*.

## Five Prudential Veterans

Five district managers of Prudential celebrated anniversaries of 25 and 30 years with the company during September.

The 30-year veteran is David J. King, Bridgeport. The others, all of whom completed 25 years are: Harry H. Dickinson, Fort Wayne; Charles R. Durbin, Trenton; Emil E. Hirschy, Lima, O.; and Benjamin Zuckerman, Coral Gables, Fla.

## Pension Book Is Published

"Pensions and Profit Sharing" is the name of a new book on pension planning published by Bureau of National Affairs, 123 1 24th street, N.W., Washington. The price is \$5.75.

With the various sections written by specialists in one or another aspect of pensions and deferred profit sharing, the book treats designing a plan, getting it approved for tax purposes, financing it, administering it, and helping employees to understand it. There also is a special chapter on present-day bargaining patterns and union demands in the pension field.

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The salary will be attractive even though his present compensation reflects his success in the group field. He will be representing a company with substantial prestige—with many accounts among America's best known and largest corporations—a company with many years of group experience.

The company is progressive and well managed. There are excellent group and retirement plans.

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## SUPERINTENDENT OF AGENCIES

Eastern Company needs Superintendent of Agencies to head up Midwest territorial development program. Should have Life and A & H selling experience; supervisory experience desirable, not necessary. Midwestern headquarters located in Chicago; reasonable amount of traveling required. Extraordinary opportunity. Write age, education, experience, salary.

Box U-47, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

Man experienced in all forms of Life Insurance including Group, Accident, Health and Hospitalization. The Agency is already producer of large volume of business and, through its affiliations, can anticipate equally large production in Life. Write U-40, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving details of your experience.

## UNUSUAL ACTUARIAL OPPORTUNITY

Medium sized rapidly growing midwest combination company has outstanding opening in actuarial department for man under age 45. Must have executive ability and be Fellow of Society of Actuaries. Give full particulars. Replies handled confidentially. Address U-39, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## ASSISTANT ACTUARY

Rapidly growing progressive Upper Midwest Company has opportunity for man with actuarial experience. Prefer Associate in Society but will consider one who has passed 4 examinations. Please state age, experience, marital status and salary expected. Address U-11, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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## Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

pointed general manager. These changes become effective October 1st.

Graduating from the University of Toronto in 1904, Mr. Parker went with Imperial Life for the summer months but returned in the fall to the university where he joined the staff as a fellow in mathematics. He went with the company in 1906 as a member of the actuarial department, in 1912 was appointed assistant actuary and rose successively through the posts of associate actuary, actuary, general manager and managing director to the presidency in 1947. He has been president of both the Actuarial Society of America and the American Institute of Actuaries (now amalgamated in the Society of Actuaries), the Canadian Life Insurance Officers Assn. and Life Insurance Institute of Canada.

Mr. Poyntz went with the actuarial department in 1931. For two years—1936 to 1938—he was with the medical department. In 1942 he was appointed assistant to the general manager, in 1944 assistant general manager, in 1946 general manager and in 1950 was elected to the board, becoming managing director.

Mr. Wood is another Imperial Life member whose business career, almost in its entirety, has been with his present company, going with it as an assistant in the sales service department in 1924, he became supervisor of the department in 1925, was appointed assistant superintendent of agencies in 1931 and assistant general manager in 1946.

### Dr. Brown Named N.E. Mutual Medical Director

Dr. Frederick R. Brown has been appointed medical director of New England Mutual Life, effective Jan. 1, 1954. He will succeed Dr. Harold M. Frost, whose retirement is reported elsewhere in this issue.

Dr. Brown, associate medical director for 15 years, graduated from Harvard medical school in 1917 and served with the Canadian medical corps during the first world war. He later was on the staffs of McGill and Harvard medical schools, as well as in private practice.

Joining New England Mutual as a chemist and home office examiner in 1924, Dr. Brown became assistant medical director in 1928 and associate medical director in 1938.

### Chicago Selection Men to Hear Dr. Reeder

Chicago Home Office Life Underwriters Assn. at a meeting Oct. 1 will hear a talk by Dr. C. L. Reeder, medical director of Continental Assurance.

### Shackelford Named L.I.A.M.A. Consultant

Sam G. Shackelford becomes a consultant with the company relations division of L.I.A.M.A. Nov. 1. At present he is associate director of Southern Methodist institute. Mr. Shackelford graduated from the institute in 1948 and joined its staff in 1949 and has instructed L.U.T.C. classes for two years. In addition to his consultation responsibilities, Mr. Shackelford will also contribute to the association's publications and serve on the school staff.

### John Hancock Agency Leaders to Meet

The annual agency leaders' meeting of John Hancock will be held at the Edgewater Beach Hotel, Chicago, Sept. 29-Oct. 2. Featured speakers are Paul F. Clark, president; R. Radcliffe Massey, vice-president general agency department; Arthur H. Motley, president Parade Publications, and Charles J. Zimmerman, managing director of L.I.A.M.A.

M. L. Camps, general agent, New York City, will talk on prospecting and Harry H. Welsh, Jr., general agent, Kansas City, will be moderator for a panel discussion on day-time selling. Charles W. Hoover, manager of sales promotion of the general agency department, will discuss the Hancock sales material. Six agents also will speak: They are H. F. Roeding, Jr., Rochester; B. L. Frazer, Chicago; C. G. Sharkey, Jr., Dayton, O.; P. H. Daniel, Jr., Fort Worth; John Howell, New York City, and E. G. Thomas, Denver. Informal "room hopping" sessions will also be included.

### Probe N. Y. Union's Welfare Fund, Agency Tieup

ALBANY—Gov. Dewey has ordered the insurance department to investigate the health and welfare funds of local 32-E of the Building Service Employees International Union, AFL, which has become the center of the inquiry into labor racketeering at the Yonkers harness-racing track. The governor also asked the department to scrutinize the books of Alcor Agency, Inc., an insurance brokerage office established by officers of the local. It wrote insurance for the local and paid three of its officials a total of \$1,050 a week in salaries.

Superintendent Bohlinger said he already had obtained some information on the Alcor Agency and that he had directed members of his staff to start investigating the union's health and welfare fund. He said he would carry out the governor's order "speedily and in full."

Gov. Dewey hinted that the inquiry might be extended to all union welfare funds in the state. The raceway investigation was set off by the murder of Thomas F. Lewis, president of local 32-E, founder of the Alcor Agency. It was found that in 32 years \$165,000 was paid to so-called "labor trouble-shooters."

### Treat A. & H. Policies as Continuous Contracts

LANSING—The Michigan attorney-general's department has given Commissioner Navarre a ruling that A. & H. and hospitalization contracts written under the time-limit incontestability clause that becomes mandatory Jan. 1, 1956, are to be treated as continuous contracts like a life policy and that renewals are not to be regarded as the commencement of a new contract. This corrects an earlier opinion, No. 1570, based on incomplete information, that treated such policies like a one-year fire insurance policy. Under that interpretation the statutory two-year limit would have meant that no policy could ever become incontestable.

The new law, based on the standard provisions model statute, applies to all

policies issued after Jan. 1, 1956, but may be followed optionally now. About half the companies are doing so. Michigan has had a two-year contestability limit since 1949 and this time limit is carried over into the new law, even though the standard provisions model is three years. The new opinion of the attorney-general doesn't mention policies currently being issued under the 1949 law but presumably the same reasoning would apply. At any rate, insurers have been treating their policies as continuous contracts and not taking advantage of the loophole in the earlier opinion.

### Mass. Mutual Has Package Disability Plan

Massachusetts Mutual has brought out a package group insurance plan of non-occupational disability benefits, available to groups of 10 to 24 employees. It includes weekly A. & H. benefits for employees plus hospital, surgical and medical expense benefits for employees and their dependent wives and children.

The standard plan includes all four basic coverages, while the alternate plan includes all except the employee A. & H. benefits. Maternity benefits are available under the hospital and surgical coverage. The plan provides \$25 weekly A. & H. benefits to a maximum of 13 weeks, reimbursement up to \$8 per day for 31 days, with an additional \$160 available for miscellaneous hospital services; a maximum of \$200 for surgical expense and \$3 per hospital visit by the physician to a maximum of \$93. Plans may be underwritten on a non-contributory or a contributory basis.

• Leroy A. Petersen, president of Otis Elevator Co., has been elected to the board of Metropolitan Life.

## DEATHS

(CONTINUED FROM PAGE 17)

Men's and Interstate Assurance, died at Des Moines. He was formerly medical director for Equitable Life of Iowa, retiring from that post in 1937.

CHARLES B. ROBERTS, 61, president of Southern Provident Life of Dallas and one of the company's organizers earlier this year, died at a Dallas hospital. He retired a year ago as vice-president and southwest manager of Sears, Roebuck & Co.

SCOTT M. LOFTIN, 75, Gulf Life chairman, died of a heart attack in Highlands, N. C., where he was vacationing. A Jacksonville, Fla., attorney and civic leader, Mr. Loftin was also a former U. S. senator from Florida and a past president of American Bar Assn., as well as a trustee of the Florida East Coast railway.

MRS. ESTELLE SPENCER McCARTY, mother of Spencer McCarty, executive secretary of the New York State Assn. of Life Underwriters, died at Delmar, a suburb of Albany, N.Y., where she had made her home with Mr. McCarty, who is the sole survivor among her children.

JOHN C. MCCALL, 78, a New York Life retired vice-president, died in Philadelphia. He was a son of the late John A. McCall, the company's 5th president. Mr. McCall retired in 1935 after 36 years with the company.

HERMAN F. VEIT, 52, Provident Mutual Life agent at Milwaukee for many years, died of a heart attack at his home where he had been recuperating from an earlier attack suffered while vacationing in northern Wisconsin in July.

### To Vote on Life & Casualty Stock Dividend Oct. 13

Directors of Life & Casualty have recommended payment of a 25% stock dividend which would increase capital from \$8 million to \$10 million. Stockholders will meet Oct. 13 to act upon the proposal.

In recent years, Life & Casualty has declared stock dividends as follows: 1943, 100%; 1945, 25%; 1947, 20%; 1950, 33 1/3%.

### Canada Life Names Amer. Agency

Canada Life has appointed American Insurance Agency—metropolitan supervising agents—general agent at Chicago. Stephen T. Pepich, president, is a veteran in the insurance business

there and has a large brokerage following.

### Insurers Buck SEC on Non-Callable Utility Bonds

(CONTINUED FROM PAGE 1)

that the SEC consented to all to the non-callable provision was that the borrower had tried competitive bidding in May and had rejected the only two bids as resulting in excessively high interests—more than 5%. The issue approved by the SEC is at 4 1/2%. It will run for 20 years. It is non-callable only for the first 10 years and only for refinancing at a lower interest rate. The bonds can be retired at any time if the company has the cash.

The utility noted in its brief to the SEC that "one of the major lenders has adopted the practice of refusing to purchase any corporate bond which is callable."

That the SEC will hold out against non-callable provisions in other public utility bond issues wherever possible is indicated in this passage in its opinion on the Arkansas-Louisiana issue: "However, we wish to emphasize that under a less rigorous set of circumstances the inclusion of provisions rendering debt or senior equity securities partially or totally non-callable may run counter to the policies expressed in the act, or may be cause for denial."

In a recent case in which the SEC denied permission to borrow money on bonds having a non-callable provision. The utility was Mountain States Power Co.

Although the money market is not quite so tight as several months ago, it is still tight enough so that the SEC's tough attitude against non-callable provisions means that public utilities that want to do business with life companies may have to pay needlessly high current interest rates to offset the presence of the callable feature, or perhaps even be unable to get large-scale financing at all if major lenders take a determined attitude on callability.

It promises to be a grim struggle, because the life companies are thinking of the long pull and are not much beguiled by high present rates that could become low long before maturity dates. Investment officers have vivid memories of having to cut the interest rates on vast chunks of their choicest investments or see them go elsewhere to get cheaper financing. It's hardly surprising they want to take every possible precaution against a recurrence in case interest rates should again hit the skids.



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"Your handwriting shows dynamic energy . . .

" . . . with more than a trace of youthful exuberance. In the slant of your upstrokes and the slashing cross of t's, your dynamism is apparent. You will be at your best in the field of international law." But the only laws familiar to him are the ones his wife lays down. Some predicting.

Plain fact, as every life insurance agent knows, is that you can't predict the future. The Union Central agent also knows that you can prepare for the future on the basis of what happens to most people and still take care of the exceptions.

Certainly the best preparation is life insurance—

Union Central life insurance with its policies and combinations of policies to meet every life insurance need from birth to age 70.

And the Union Central agent is also an up-to-the-minute insurance man. The best policy of twenty years ago isn't necessarily the best policy today. Times change. The needs of people change. An alert, cooperative Home Office keeps all Union Central agents fully informed, helps them with the proper sales tools to make Union Central life insurance serve people best in terms of today's needs—projected reasonably and logically into the future.

THE UNION CENTRAL



CINCINNATI, OHIO

LIFE INSURANCE COMPANY



## "When Our Ship Comes In"



The little girl rested her elbows on the table, cupped her chin in her hands and said, "Mommy, do we have a ship?"

Peg Grayson looked up from the hem she was stitching and said, "Why, Gloria! What an odd question! Why do you ask that?"

"Well, yesterday when you and Daddy were talking about why we couldn't go to the lake this summer, Daddy said that maybe we'd all go on a long trip when our ship comes in, and..."

Peg Grayson laughed. "Oh, *that!* It's just something people say, Gloria. It means—well, that they hope good fortune will come to them some day. Not a real, actual ship, but..." She went on to explain as well as she could.

No, it was not a real, actual ship, Peg thought after Gloria had left her to her sewing. But wouldn't it be nice if... She frowned at the hem she was turning. With the cost of living what it was, she and Ben would be lucky if they *ever* managed to do anything extravagant. And then, on top of it all, Jack Wilson had been trying to get Ben to

take out some more life insurance, of all things.

That, she decided, was not the way for a husband to spend his money. After all, if worse *did* come to worst, she could always get a job doing something. Housecleaning, even. To Peg, death and insurance went hand in hand—and she preferred not to think of either.

That evening Jack Wilson stopped in to talk with Ben and Peg Grayson about the life insurance again, and during the discussion Peg mentioned their daughter's question about their "ship." Both men laughed. "It *would* be wonderful, though," Peg said, "to discover some day that suddenly we were able to go on a nice long cruise or something like that..."

Jack Wilson smiled. "Look, folks—that's *exactly* the point I've been trying to make! Because even though the primary purpose of this insurance is to protect Peg and Gloria, it can also build up into a nice-sized cash fund for your later years."

Peg suddenly found herself listening with greater interest.

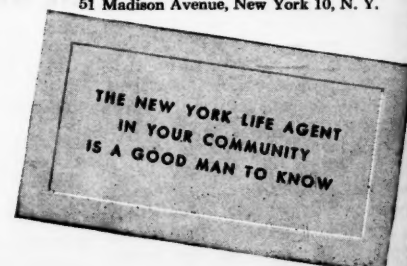
It's almost thirty years since that discussion

took place, and a great many things have happened since. Gloria, the "little girl," is married now and has two children of her own—a boy, six, and a girl three. Her parents, Peg and Ben Grayson, have moved to a cottage in a little seaside town, where they are living quietly and peacefully on income from Ben's New York Life insurance policies. They have a small boat which they keep anchored in a nearby cove, and they go fishing quite a lot.

You wouldn't call the boat a ship, exactly. But it *did* come in!

NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, New York 10, N. Y.



Naturally, names used in this story are fictitious.